FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,363 Thursday July 5 1984 D 8523 B

Brazil's trade surplus soars, Page 4

NEWS SUMMARY

GENERAL

Gloom grows in UK coal dispute

Prospects for an early settlement of the UK's long coal strike rest on talks scheduled for today and tomorrow between the National Coal Board (NCB) and the National Union of Mineworkers (NUM).

Few involved in the dispute seem optimistic about their outcome.

Mr Ian MacGregor, chairman of the NCB, still has the same demand to reduce capacity by 4m tonnes, including the closure of uneconomic pits. The NUM still insists that the closure programme must be withdrawn. Page 6

Jackson for Mondale

The Rev Jesse Jackson pledged his support to Mr Walter Mondale as the probable Democratic contender in this year's U.S. presidential elections, in the interests of defeating President Ronald Reagan in November. Page 4

Confidence vote

The French Government said it would call a parliamentary vote of confidence to overcome opposition delaying tactics over a Bill to curb newspaper monopolies. Page 2

Peace process

UN Secretary-General Javier Pérez de Cuéllar said he hoped moves towards a new Middle East peace process could begin after this year's U.S. and Israeli elections.

Kashmir violence

Police opened fire and used tear gas to disperse stone-throwing demonstrators in Kashmir in violence that followed the replacement of the Chief Minister. Page 3

Help for passengers

Hundreds of passengers stranded when Air Florida grounded its aircraft and filed for protection from creditors under U.S. bankruptcy law were offered seats by Pan Am and two small Florida-based airlines. Page 8

Guatemala poll

Despite years of political persecution, Guatemala's centre-left Christian Democrats have emerged as the leading party after elections aimed at returning the country to civilian rule.

Record art price

Getty Museum at Malibu, California, paid £6.8m for seven of 71 old master drawings offered at auction at Christie's, the London auctioneers. The drawings, from the collection of the Duke of Devonshire, fetched a UK auction record of £21.1m. Page 6

Iranian debt

Iran has failed to pay interest equivalent to 2.6bn yen ($10.8m) on loans from Japanese banks to finance the Japanese-Iranian petrochemical complex at Bandar Khomeini, southern Iran, industry sources said.

Chinese reserves

China reported a sharp rise in foreign currency reserves at $15.69bn, roughly five times more than its overseas debt. A central bank report said reserves rose 9.4 per cent in the first three months of 1984, compared with 1.9 per cent the previous quarter.

Fresh credit

West German banks are preparing a big new credit for East Germany, Bavarian Prime Minister Franz Josef Strauss confirmed. Page 2

Bangkok celebration

Thailand celebrated U.S. Independence Day by giving free vasectomies to 80 men, including two American embassy officials.

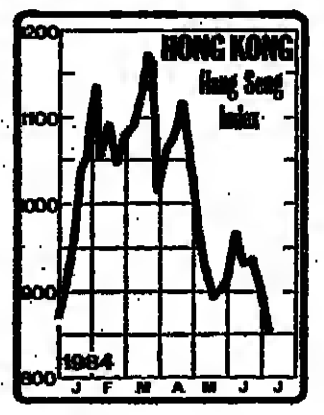
BUSINESS

UK tells Norway of new gas plan

BRITAIN told Norway of the changes it wanted in British Gas's proposed deal to buy £20bn ($27bn) worth of gas from Norway's Sleipner field. Page 24. British Petroleum drilled its fifth consecutive dry hole in the South China Sea.

DOLLAR fell in London to DM 2.8170 (DM 2.8210), FFr 8.64 (FFr 8.6550), SwFr 2.3640 (SwFr 2.3670), but improved slightly to Y239.80 (Y238.65). On Bank of England figures, its trade-weighted index rose to 135.1 (135.0). Page 41

STERLING lost ground against the dollar in London, falling 15 points to $1.3335. It fell to DM 3.7625 (DM 3.77), FFr 11.5350 (FFr 11.5650), SwFr 3.1550 (SwFr 3.1625) and Y319.75 (Y320.25). The pound's trade-weighted index was unchanged at 78.6. Page 41



GOLD rose $1 on the London bullion market to $369.25. It closed at $369.25 in Frankfurt and $369.00 in Zurich. Page 40

LONDON stock market advanced amid stock shortages, and the FT Industrial Ordinary index added 12.8 to 834.1. Government stocks were also firmer. Section III

THE PHILIPPINES has asked its creditor banks for a third extension of a 90-day moratorium on debt repayments, central bank sources said.

CANADIAN GOVERNMENT has asked the country's banks to increase their provisions for non-performing loans to several Third World countries and is to tighten the rules on banks' disclosure of overdue principal and interest payments. Page 25

CASIO COMPUTER, Japanese electronics manufacturer, lifted consolidated net profits by 25.8 per cent to Y8.88bn ($37.5m) for the year to March 20, 1983. Page 26

FRIEDRICH FLICK, privately owned German industrial group, more than tripled profits in 1983 to DM 295m ($106m) from DM 95m in 1982. Page 27

DAIMLER BENZ said the seven-week metalworkers' strike had cost it DM 3.5bn ($1.25bn) in sales, forcing cuts in production targets, and had damaged West Germany's reputation for reliability. Page 24; Trucks launched in UK, Page 9

DASSAULT-BREGUET, France's state-controlled military aircraft company, urged French technical leadership of the proposed five-nation plan to build an advanced jet fighter for the 1990s. Page 24; India may make Soviet fighter, Page 3.

The editorial content of today's international edition has been restricted because of continuing industrial action by IG Druck und Papier at Frankfurter Societäts-Druckerei, where the edition is printed. This prevents the publication of late-breaking news.

Production difficulties in London may have resulted in typographical errors in unit trusts, some advertisements and elsewhere in today's edition.

Bonn to restrict state spending growth to 2.4%

BY RUPERT CORNWELL IN BONN

Herr Gerhard Stoltenberg, the West German Finance Minister, yesterday presented a lean 1985 draft budget, holding public expenditure growth to 2.4 per cent and incorporating a further substantial cut in the federal borrowing requirement.

The proposals, which were settled at a long Cabinet session on Tuesday, foresee total central government spending next year of DM 260.2bn ($92.2bn). Measured against *the originally budgeted outlay* of DM 257.1bn for 1984, the increase is a mere 1.2 per cent, far below the present German inflation rate of slightly under 3 per cent.

In fact, however, the various Bonn ministries are now likely to disburse only DM 254bn this year – a further success in Herr Stoltenberg's long-term campaign of steadily lowering the proportion of national wealth that is spent by the Government.

The big novelty is the first appearance of state incentives for buying cars equipped to burn lead-free petrol, and thus protect the environment, above all West Germany's threatened forests.

From July 1 1985, such vehicles will be exempt from road tax here for between five and seven years, a concession in the case of cars with engines of over 2.5-litre capacity worth some DM 2,600. The loss of revenue will be made up by increased tax for conventional cars.

The Cabinet left unresolved, however, *the issue of whether* purchasers of low-emission cars should receive a straight subsidy from the Government, perhaps of DM 1,000.

That has been strongly pressed by Herr Friedrich Zimmermann, the Interior Minister, who has become a most visible standardbearer of the environmentalist cause. But Herr Stoltenberg has so far fought the concession on budgetary grounds, and a decision will only be taken in the autumn.

The budget is based on the assumption of 2.5 per cent economic growth next year. Herr Stoltenberg admitted, however, that it would have little impact on unemployment, which stands at 2.11m, or 8.5 per cent of the workforce.

The country's central union federation (DGB) last night bitterly attacked the proposals, calling them "prison for the economy and employment," urging creation of a special five-year DM 50bn investment fund to create new jobs.

In fact, the Government next year is allocating DM 36.2bn to capital investment, an increase of only 2.5 per cent on 1984. In addition, Herr Stoltenberg announced a special DM 1.6bn job programme.

He made clear his basic conviction, however, that only by putting the state's finances to rights could the competitiveness of German industry be improved, and with it the prospects of creating new jobs in the medium term.

The Government's financial strategy is built upon reducing the federal deficit to DM 24bn in financial 1985 from DM 29.5bn this year, and thereafter to DM 22.4bn in financial 1988.

Among traditionally big spending ministries, the largest increase in 1985 goes to defence, which will be

Continued on Page 24

Crocker property sale may raise up to $700m

BY WILLIAM HALL IN NEW YORK

CROCKER NATIONAL Corporation, the loss-making U.S. subsidiary of Britain's Midland Bank, had put its San Francisco headquarters up for sale and is investigating the sale or refinancing of its Los Angeles office complex in a series of property transactions that might raise up to $700m.

Crocker, which has lost $178m in the last two quarters and is under pressure from the U.S. bank regulators to strengthen its capital ratios, has engaged Goldman Sachs, the U.S. investment bank, to help it to sell its recently completed headquarters complex in San Francisco for a minimum asking price of $425m.

Crocker is also investigating the possible sale or refinancing of its approximate 40 per cent share of the twin-tower Crocker centre complex in Los Angeles.

Property dealers estimate that Crocker's share of the 2.2m square feet development is worth about $250m. As Crocker is a minority partner, they note that a sale or refinancing of the property is more complicated than is the case of the San Francisco building, where Crocker is the sole owner.

The sale or refinancing of both office complexes would give Crocker's balance sheet a powerful boost, since they stand in the books at a considerable discount to their current market value.

When Crocker first announced the projects in early 1979, the reported cost of the San Francisco development was $115m and the Los Angeles joint venture was $275m.

Building costs have since escalated and Crocker has not disclosed the total costs of the two investments.

Mr Frank Cahouet, who took over as chief executive of Crocker National Bank, the main operating subsidiary, earlier this year, said in April that Crocker's strategy was to reduce its investment in its headquarters buildings "thereby realising substantial market gains in order to strengthen our balance sheet." He emphasised that Crocker would continue to occupy the newly completed office complexes, even if they are sold. In common with several Californian banks, Crocker is anxious to cash in on the booming office property markets in downtown Los Angeles and San Francisco.

Crocker's San Francisco headquarters at 1 Montgomery Street, one of the city's most prestigious addresses, includes a glass-domed shopping centre, known as Crocker Galleria, as well as a 38-storey office tower.

San Francisco property brokers say Crocker is asking a high price.

It is understood that Crocker has not made up its mind what to do with its stake in the Los Angeles Crocker Centre, consisting of a 54-storey and a 44-storey tower which it shares with several other partners. Neither building has been fully let yet.

Crocker is due to report its second-quarter results on July 17 and there has been considerable speculation among Wall Street analysts that it will show a loss for the third quarter running because of the need to put its Argentine loans on a non-performing basis.

Crocker has the second-highest relative exposure to Argentina of any leading U.S. bank – equivalent to a third of its primary capital.

U.S. bank regulators have been concerned by Crocker's deteriorating financial performance

Bad debts for Canadian banks, Page 25

EEC call for an extra Ecu 2bn

BY QUENTIN PEEL IN BRUSSELS

THE EUROPEAN Commission decided yesterday to press ahead with its demand for the 10 member states of the EEC to finance a supplementary budget of more than Ecu 2bn ($1.6bn) this year, largely to finance the increased costs of the Community's agricultural policy.

The decision was taken at the weekly Commission meeting in Brussels, in spite of strong pressure from several members – led by Britain and West Germany – for spending cuts to be made instead.

Final details of the supplementary budget, to be presented to a meeting of the European Parliament's budget committee next week and to finance ministers of the 10 the week after, are expected to be completed in the next two days.

The financing gap, mainly a result of the inexorable increase in the cost of buying and storing surplus agricultural production, is expected to be somewhat less than first estimated last April, at Ecu 2.1bn rather than Ecu 2.3bn.

Officials insisted yesterday, however, that the reduction was because of technical factors such as the changing Ecu-dollar exchange rate rather than as a result of any specific saving measures.

The one apparent concession made by the Commission has been to drop its original proposal to finance the deficit by borrowing, which was widely regarded as being outside its powers.

Instead, EEC finance ministers will be asked to provide an "advance against own resources" – effectively an early payment of the increased contributions which member states have agreed in principle to provide during the course of 1985.

Commission officials insist that the increased spending is necessary to finance agreed Community policies, and that there has been no objective change in the situation since April, when the overspending was first identified.

Although they recognise that savings could be made – primarily by postponing spending from 1984 to 1985 – they argue that such a course would almost certainly cost more in the long-run, with the need to store surpluses such as the 1m tonne butter mountain for an extended period.

Third World plea, Page 4; Irish milk smuggling, Page 24

Maxwell bids for British newspaper group

By Sue Cameron in London

BRITISH PUBLISHER Mr Robert Maxwell's Pergamon Press yesterday offered Reed International "not less than £80m" ($107m) for Mirror Group Newspapers, which includes the tabloid Daily Mirror.

Pergamon undertook to maintain the group's "political line editorial policies and practices." The Daily Mirror is one of the few popular Fleet Street newspapers to support Labour Party policies. Its 3.49m circulation is the second largest *among British dailies.*

Mr Maxwell said he was only "fairly" confident of having his bid accepted. He told a press conference last night that Pergamon's offer would be increased to a maximum of £100m "if justified by the financial and other information" on the group.

Reed, which is planning a public flotation of MGN later this month, is expected to reject the offer. Last night Reed issued a firm statement saying it continued to believe that "the interests of Mirror Group Newspapers and its employees are best served by becoming an independent company with a wide spread of shareholders."

Preparations for the listing of MGN on the London Stock Exchange were continuing.

British analysts' estimates of what the MGN flotation might raise have varied from £70m to £85m.

The group includes the Daily Mirror and Sunday Mirror, Sunday People and Sporting Life, all national newspapers, and the Daily Record and Sunday Mail in Scotland. It had a trading profit of £5.2m in 1983-84. MGN's site in Holborn, London, is said to be worth £10m and the group has a stake in Reuters which is valued at £45m.

Mr Maxwell has long had ambitions to own a national newspaper group and recently bought 10 per cent of Fleet Holdings, the Express Newspapers group. He said he would be looking for a 15 per cent return on his £100m investment if his bid were accepted.

Pergamon, which had a pre-tax profit of £33.5m last year, had cash and securities of £220m to support its offer to Reed, Mr Maxwell said.

Barry Riley, Financial Editor, writes: Mr Maxwell is launching his bid for Mirror Group on the basis of a huge personal fortune which has been built up in two main stages over the past 10 years.

In 1974, Mr Maxwell bought back

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Paris explores foreign stakes in Framatome

BY DAVID HOUSEGO AND DAVID MARSH IN PARIS

THE FRENCH Government is exploring the possibility of allowing foreign shareholders to take a minority stake in Framatome, the French nuclear reactor company which is at present 50 per cent owned by Creusot-Loire, the bankrupt heavy engineering group.

Such a plan would be highly controversial, diluting French control of one of France's leading high technology companies. It would, however, represent a way of providing additional cash for restructuring *Creusot-Loire* and of attracting potential foreign business for France's nuclear power industry, currently suffering from a shortage of orders.

French officials insisted yesterday that no discussions with possible foreign buyers had taken place. Among foreign groups which could, however, eventually be canvassed are GEC of Britain, Mitsubishi of Japan and various continental European groups.

Framatome, whose other shareholder is the Commissariat à l'Energie Atomique (CEA), France's atomic energy commission, said yesterday that the possibility of opening up its capital to foreign shareholders was a "hypothesis that could be envisaged."

CEA, which has progressively increased its stake in recent years after Westinghouse of the U.S. sold its residual holding in 1982, said yesterday that it had no wish to go beyond its current 50 per cent interest.

Among French groups that might be interested in taking a stake, Électricite de France (EdF) is thought to favour a possible holding of a maximum of up to 20 per cent which would give it an inside view of its major equipment manufacturer. Alsthom-Atlantique, the state-controlled engineering group which makes the conventional generating equipment for the French nuclear programme, is also a potential purchaser.

Creusot-Loire needs to dispose of its 50 per cent unless it is taken out of bankruptcy by being bought in its entirety by another group, an option which at the moment does not look likely.

Framatome, with a turnover of FFr 4.4bn ($508m) and net profits of FFr 201m in 1983, manufactures pressurised water reactors (PWR) under technology originally acquired from Westinghouse in the early 1970s. Although it is the main supplier for the ambitious French nuclear programme, with 28 orders for PWRs in France and abroad still in hand, it is already suffering from the slow-down in French nuclear

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Peugeot drops plan for engine plant

BY KENNETH GOODING IN LONDON

PEUGEOT of France has postponed indefinitely its plan to set up a big new plant to produce an engine developed jointly with Fiat, the Italian car group.

The decision was undoubtedly influenced by Peugeot's parlous financial position. The group, which takes in Citroën and Talbot as well as Peugeot, has not made a profit since 1979. Last year its losses reached FFr 2.5bn ($288m) compared with FFr 2.15bn in 1982.

Peugeot pointed out yesterday that the group already had a highly competitive small petrol engine, similar to the one developed with Fiat. "So we have not such an urgent need for an engine in the 1-litre class."

Fiat and Peugeot announced in 1980 their intention jointly to develop a new engine range between 1 litre and 1.5 litres, which would have exceptionally low fuel consumption.

The original intention was for two identical plants to be put up side by side in southern Italy. Each would produce 500,000 engines a year on highly automated equipment.

After the Socialist Government was elected in France, Peugeot was persuaded to site its facility somewhere in France.

Fiat meanwhile has pressed ahead and will launch the new engine in September this year.

The Italian group says Peugeot has shown some interest in buying the engines from the Fiat plant but there is unlikely to be enough spare capacity for a worthwhile deal to be concluded.

Peugeot uses a small engine pro-

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CONTENTS

Mme Cresson seeks a shift from grandiose foreign contracts, writes **David Housego**

Super saleswoman lowers French sights

"THE salesman's job has always been underrated in France," says Mme Edith Cresson who in 15 months as Minister of External Trade has transformed herself into France's super-saleswoman. "My aim is to demonstrate its importance."

She accuses her predecessors in the post of spending too much of their time winging round the world negotiating large turn-key projects with developing countries. "Ministers used to come back announcing that they had signed the contract of the century. But now there are less and less contracts of the century and soon there will be no more," she says.

She believes that throughout the world the number of large contracts available to western companies, and which were an important plank in French sales abroad, is sharply on the decline.

She has thus shifted the emphasis of her Ministry to the more mundane task of expanding French exports of standard consumer goods and industrial equipment. She has mounted a crusade to push small- and medium-sized companies who relied exclusively on domestic sales to hunt for markets overseas.

"Our aims must be more modest," she says. "We must concentrate on clients who can pay and products that can be sold in quantity."

In pursuit of that goal she has organised crash programmes in France to make French businessmen more aware of export opportunities.

"Compared with West Germany, Holland and Britain, we have fallen well behind in marketing," she says. She blames the previous government for not doing "enough to encourage French companies, in explaining to them that to sell abroad, they need to be represented abroad. They need to know the market and find a distribution network."

As Minister she has thus mothered parties of French businessmen around the world. She took a party of 200 to the U.S. earlier this year, has toured the Middle East and South East Asia, and ferried 30 company chairmen to Mexico.

French industry was initially suspicious of her as both a Socialist and a woman with no business experience. They have since come to admire her sense of publicity.

Like a well-trained actress, she can snap on charm. She can be glamorous, tough, efficient and warm. She is liked in her Ministry because she masters her briefs and fights for them in Cabinet.

Her tactics are often brazen. In Mexico she ushered the company chairmen into the President and then helped smooth their path in their negotiations with Ministries.

But they are tactics that often seem to work. Officials quietly credit her with some of the increase in exports France achieved last year particularly in the U.S.

Before taking over the Ministry of External Trade, she was Minister of Agriculture. It was an unhappy period both for her and for the farmers who felt from the start that the appointment of a woman minister was a calculated insult by the Socialists to their male and generally right wing pride. Mme Cresson stood her ground against their invective and was rewarded for her courage by being transferred to the Ministry of External Trade.


Mme Cresson: tactics often brazen.

In the French system it has always been an unsatisfactory post. It has no administrative staff of its own but has to rely on the Ministry of Finance for seconded personnel. M. Raymond Barre, who was Minister of External Trade in 1976, used the job which provides a window on the French economy through the trade statistics, to highlight the damaging consequences of the reflationary programme of M. Jacques Chirac, then Prime Minister. He was rewarded by being made Prime Minister and Finance Minister.

M. Michel Jobert, Mme Cresson's predecessor complained that being dependent on the Ministry of Finance for his administrative services left him powerless.

He resigned in protest while prophesying that the government's economic policies would drag France into the arms of the IMF. But M. Jobert was an odd man out in the government. As a left wing radical he had no standing in the Socialist party and little in the cabinet.

Mme Cresson has concentrated on the role of saleswoman. A friend of President Mitterrand, but not part of his inner circle, she took over the post at an opportune moment. The austerity measures announced in March 1983 forced companies to look abroad because of the squeeze on the domestic market. At the same time the government desperately needed to boost exports to reduce the trade deficit.

Mme Cresson concedes that with the domestic market expanding again next year as France heads for a marginally higher growth rate than its trading partners, there is a risk that companies will switch back to concentrating on sales at home.

"Naturally there will be failures," she says. "There will be some companies who say 'we can now return to the domestic market.' But others will have got a taste for exporting."

In practice shifting the Ministry's priorities from backing French industry in the fight for large scale contracts to providing support for more run of the mill exports in industrialised markets will be a long haul.

Not only do French companies have inadequate distribution networks abroad. But French government commercial services are also inadequately geared to exploiting opportunities in industrialised country markets. The shift in direction was begun before Mme Cresson arrived and has since been vigorously continued.

If Mme Cresson sees herself as first and foremost France's sales lady abroad, she is also a passionate advocate of a joint European export drive. "Everywhere I go in the Middle East or in South East Asia," she says, "people tell me that they have no problem in buying French, British or German. But they say we would prefer to buy European. Everywhere I am told 'make more European products.'" She believes that joint European ventures like the Airbus and the Ariane rocket have done wonders for the image of European technology.

Cabinet to call vote of confidence over Press Bill

BY OUR PARIS CORRESPONDENT

THE FRENCH Government sought yesterday to cut short the Parliamentary battle over its Press Bill by making it an issue of confidence in the National Assembly.

The Government's decision came, as the right wing and centrist opposition made it increasingly clear that it would use every parliamentary tactic available to prevent both the Press Bill and the new legislation on private schools from being approved by the Senate and the National Assembly. The opposition's attitude has hardened since the defeat of the Left in the Parliamentary elections on June 17 and the mass rally in Paris in defence of private schools the following Sunday.

The opposition increasingly considers that the Government has no national mandate to pass the Bills and thus sees itself justified in paralysing the work of the Assembly.

The Government has convened an extraordinary session of the Assembly which for the first time in the history of the Fifth Republic is likely to last through the summer months. But on Monday M Alain Madelin, one of the most active of the opposition deputies, said that the Government would still fail to get the Bills through.

Since the opening of the debate on the second reading of the Bill on Monday only 10 of the 500 amendments tabled have been heard. Opposition speakers delayed the proceedings through points of order, requests to suspend the session and the denial of a quorum.

In the Senate, where the opposition is in a majority, M Bernard Pons, deputy leader of the neo-Gaullist RPR, has declared that a Government refusal to concede a Senate demand for a referendum on the private schools issue would create a "revolutionary situation."

In announcing the Cabinet's decision yesterday to make the Press Bill an issue of confidence, M Roland Dumas, the that the timing would be left to Prime Minister Pierre Mauroy. The Press Bill is aimed at limiting the concentration of ownership of the Press. Its intent is to force M Robert Hersant, the right wing owner of the daily Le Figaro and other national and provincial papers, to divest himself of some of his titles.

On the first reading of the Press Bill, 2,598 amendments were tabled—a record under the Fifth Republic. Because of similar delays over the private schools Bill, the Government made it an issue of confidence on its first reading in the Assembly.

Howe trip strikes sparks in Moscow

By David Buchan in Moscow

IN BRITAIN, Sir Geoffrey Howe may be better known for his low-key public persona. But his brief trip to Moscow set off more sparks with the Soviet leadership than that of any other Western minister this year.

Usually, both sides save the mutual recriminations until the Western minister is safely airborne for home. But while Sir Geoffrey was still on Soviet soil, a senior Moscow spokesman was saying that Soviet and British positions were "diametrically opposed" on many issues. Nor had two days of talks narrowed the gap.

Sir Geoffrey countered by ridiculing with uncharacteristic sarcasm the Soviet arms control position as illogical and inconsistent and tending to score "own goals."

For all the modest fanfare attendant on the first working visit by a British Foreign Secretary for seven years, the early signs are that his trip has not achieved any breakthrough in East-West diplomacy or given a fresh boost to the incipient Anglo-Soviet dialogue of the past year.

Despite Sir Geoffrey's assurance—direct from the White House, he said—that the Americans would talk about space weaponry without precondition or including nuclear missiles, Pravda again yesterday laid into the "extremely unserious and obstructive" attitude of the U.S. towards its proposed negotiations on anti-satellite and anti-missile weapons.

Political dialogue

Pravda put the meeting between President Konstantin Chernenko and Sir Geoffrey on its front page with a picture and a brief reference to the latter's stress on Britain's interest in continuing a political dialogue with the Soviet Union. But his news conference went virtually unreported.

It seems likely that the Anglo-Soviet dialogue, which had seen an accelerating exchange of visits by lower level ministers from both countries, has now probably hit a plateau

It is unclear when or if Mr Andrei Gromyko, the Soviet Foreign Minister, will take up his invitation to go to London, recent speculation about an early visit to Moscow by Prime Minister Margaret Thatcher, following her February trip to Hungary, is now stilled.

Several factors lie behind the surprisingly tough performance of the mild-mannered Foreign Secretary. One is simply the contrast with earlier visits here by Western visitors.

President Francois Mitterrand offset his one bold reference to Dr Andrei Sakharov, the Soviet dissident, in a Kremlin speech with otherwise conciliatory statements. The other important Western visitor here, Herr Hans Dietrich Genscher, the West German Foreign Minister, was blunt but mora cryptic than Sir Geoffrey.

The British minister also appeared a little surprised by the tough Soviet line on most foreign policy and arms control issues. He certainly hardened his approach during his two days here, so that the tone of his newa conference was not noticeably sharper than his speech on his first day.

When Sir Geoffrey met President Chernenko in the Kremlin, he went straight from remarks about the weather and his evening at the Bolshoi to saying that he had found much to disagree in his five hours of talks with Mr Gromyko.

The succeeding dialogue cannot have been much smoother since Mr Gromyko, who though a few years senior to the perceptibly short-breathed Mr Chernenko, gave every impression of running Soviet foreign policy.

Driving wedges

Another irritant to the British side was the Soviet persistence in trying to drive wedges not only between tha U.S. and its European allies, but also between the West Europeans For all Sir Geoffrey's ridicule, Soviet political commentators see no inconsistency between appearing to negotiate now in some areas, such as space weapons, and not in others, such as Start and Intermediate Nuclear Forces.

They say that, on space weaponry, the urgency in preventing a new extra-terrestial dimension to the arms race outweighs, for the Soviet Union, tha risk that President Ronald Reagan will play pre-electoral politics with it. But for INF and Start, the calculation is quite tha reverse.

The message that Sir Geoffrey put across is that "the world cannot afford the politics of the empty chair." Tha more that message is put over, not only in American, but also in English, French, German and Italian, the sooner it will penetrate the Kremlin, he believes.

Communists in Italy 'fully independent'

ROME — Newly elected Italian Communist Party General Secretary Alessandro Natta said today the party was fully independent of Moscow and he had no intention of making pilgrimages to eastern Europe.

At his first news conference since becoming head of the West's largest Communist party last wek, Natta said Italy was right to belong to Nato, but the Government should insist the military alliance worked for peace and detente.

Natta said it was only a matter of time before the five-party coalition government of Prime Minister Bettino Craxi colcollapsed because of internal contradictions.

"As far as our autonomy (from Moscow) is concerned, I say we have no further to go," Natte said. "The international autonomy of the party is complete."

"I may make trips abroad, perhaps to socialist countries, but they will not be pilgrimagea and I do not feel part of any sort of church," Natta said.

He said his party had criticised tha Soviet Union for its intervention in Afghanistan and over martial law in Poland. The criticism led to an angry war of words between the Itailan and Soviet communist parties in 1982.

He aaid Itallan communists would continue to criticise in the hope of encouraging greater democracy in Socialist countries.

Renter

Dutch discuss farmers' aid

By Walter Ellis in Amsterdam

THE DUTCH Cabinet discussed the possibility yesterday of national aids to farmers to help to compensate them for losses they are likely to) suffer as a result of agricultural reforms being brought in by the European Community.

Mr Gerrit Braks, Agriculture Minister, did not put specific proposals to his colleagues but is understood to have raised the subject in the context of the 1985 Dutch budget, now being discussed.

Mr Braks would like to introduce an aid programme similar to that drawn up recently by the West German Government. The German scheme is resented by the Dutch, who feel it will hit at exports to the federal republic of fruit and vegetables.

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BL to appeal over EEC Commission fine of $277,000

BY PAUL CHEESERIGHT IN BRUSSELS

BL, the state-owned UK car manufacturer, is to appeal against a fine of over $277,000 imposed by the European Commission which alleges that the British company broke EEC competition rules.

The Commission maintains BL has been trying to deter British importers from buying cheap new Austin Metros on the continental European market.

BL has also been ordered to stop charging £100 for the documentation needed to register an imported Metro.

A spokesman for Austin Rover, BL's volume car subsidiary, said last night, however: "We do not agree with the decision taken by the Commission and we intend to appeal against it."

The case arose because of the sharp price differential between British and continental European car prices. A Metro 1000L in the UK can cost, net of tax, 49 per cent more than in Belgium, according to research by the European Bureau of Consumer Unions.

Importers have found it profitable to buy a left-hand-drive Metro in Europe, bring it to the UK, convert it to right-hand drive and then sell it.

The Commission fine on BL is the first it has imposed since it started a series of actions designed to break the insulation of the highly priced UK car market from the lower-priced continental European one.

AUSTIN METRO 1000L PRICES AUTUMN 1983 (Net of taxes)

	Belgium	France	W. Germany	UK
In Ecu	3,978	4,230	4,318	5,938
In £	2,290	2,445	2,482	3,427

Source: European Bureau of Consumer Unions. 1 Ecu = $0.79

These actions have involved Ford and Fiat.

Consistently the Commission has backed the right of companies to trade outside the established lines of distribution – so-called parallel importing – in the interests of allowing consumers in one country access to products in another. It has applied this principal not only in the motor industry but in others such as pharmaceuticals.

The fine on BL of Ecu 350,000 ($277,500), would have been higher, officials explained, had BL not been co-operative during the Commission investigations. BL has accepted that it will make available to continental European dealers right-hand drive cars. These could then be resold in the UK.

The Commission move against BL was taken under Article 86 of the Treaty of Rome, the legal blueprint for the EEC. It was charged with abusing a dominant position.

The case started after a so-far unnamed British importer complained to Brussels about BL practices

Greek law attacked by insurance companies

BY ANDRIANA IERODIACONOU IN ATHENS

THE GREEK Insurance Association, the largest association of private insurance companies in the country, has accused the Government of driving its members out of business through a law which effectively obliges all firms financed by state banks to be insured with public sector companies. The greater part of the Greek banking system is state-owned or controlled.

The law, passed by the Socialist Administration in May 1982, says that firms must follow their banks' recommendation on which insurance company to choose. According to Mr Nicholas Adamantiades, the Insurance Association president, this channels all business to the six Greek public sector insurance companies and away from the 156 private companies in the market.

Association figures show that between 1982 and 1983 the Greek private firms' share of fire property premium income shrank from 41 per cent to 38.3 per cent, while the public sector firms' share increased from 59 per cent to 63 per cent.

According to Mr Adamantiades, in the autumn of 1982 the EEC notified the Greek Government that the new law violated Community regulations on free competition and other regulations. A resulting circular issued by the Greek Commerce Ministry telling firms that the required bank recommendation need not be binding had been totally ignored by everybody, Mr Adamantiades said.

Mr Andreas Kazazis, the Assistant Commerce Minister, said yesterday that the ministry was investigating the matter.

West German mechanical engineering orders rise

BY JONATHAN CARR IN FRANKFURT

ORDERS TO the West German mechanical engineering industry rose by 15 per cent in real terms in May against a year earlier, despite the metalworkers' strike which began the same month.

While foreign demand jumped by a real 19 per cent, domestic orders were up only 10 per cent—possibly reflecting the first impact of the metalworkers' stoppage.

Only the figures for Juna will give clear evidence of how far the strike has affected the sector, the country's second biggest branch of Industry in turnover terms.

However, it is already plain that the vehicle industry (the biggest sector), has suffered most from the atrike, with production losses coming close to 400,000 cars and lorries.

A survey released today shows that at least until shortly before the strike began, West German industrialists, buoyed by last year's improved profits, were planning to boost their fixed asset investment markedly.

According to the survey, taken in March and April, investment was likely to rise by about 2.5 per cent in real terms in 1984 after virtually stagnating last year.

It remains to be seen whether the strike has altered these investment plans — perhaps even brought a rise in investment to rationalise as a result of increased costs caused by the stoppage.

Bonn puts condition on East German bank loan

BY LESLIE COUTT IN BERLIN

EAST GERMANY is to receive a West German Government-backed bank loan which appears to be linked with the improved access by East and West Germans to each other'e countries.

Herr Franz-Josef Strauss, the Bavarian Prime Minister, confirmed the loan yesterday after it had been reported in the West German Press.

He said the Federal Chancellery in Bonn had apparently asked Deutsche Bank to head a consortium which would grant a loan to East Berlin's Deutsche Aussenhandelsbank. West German newspapers had previously said East Germany would receive a loan of DM 900m (£243m) with the "political backing" of the Bonn Government.

Herr Strauss, who heads the Christian Social Union which is part of the Bonn coalition, was instrumental in the granting last year of a DM 1bn loan to East Germany. He said it appeared that East Germany would again put up as a surety the payments it will receive from Bonn this year for Western use of the East German Autobahn to West Berlin which amounts to DM 620m.

The chief West German spokesman, Herr Peter Boenisch, said high level negotiations between Bonn and East Berlin to improve access by East and West Germans to each other'a countries have made "good progress." He said he could not reveal details as the talks were still in progress and could be harmed by any breach of confidence.

They are being co-ordinated by Dr Philipp Jenninger, Chancellor Helmut Kohl's chief aide on relations with Eash Germany, and Professor Herbert Haeber, the East German politburo member responsible for relations with Bonn.

West German newspapers have reported that East Germany was repraped to allow more of its citizens to travel to the Weat and to lower the currency exchange requirements for West Germans entering the East. These were tripled in 1980 and which led to a sharp drop in travel to East Germany.

East Berlin was said to be willing to allow 5,000 extra citizens to leave for West Germany thia year if the West German permanent mission in East Berlin barred East Germans seeking to get to the West from taking refuge in the buildin.

Herr Karsten Voigt, a prominent member of the opposition Social Democrats, who held talks with Prof Haeber in East Berlin this week on security questions, said East Germany intended to take some "courageous steps" to permit a larger number of its citizens to visit West Germany.

Uranium ban 'would harm Australian disarmament moves'

BY MICHAEL THOMPSON-NOEL IN SYDNEY

MR BILL HAYDEN, the Australian Foreign Minister, aruged strongly yesterday for continuation of the Australian *uranium industry* and of the U.S. communications bases at Pine Gap, North West Cape and Nurrungar.

He said that an end to uranium mining, or the removal of U.S. communications facilities, would harm or destroy Australia's ability to influence arms control or disarmament moves.

The uranium controversy is expected to dominate next week's biannual conference of the ruling Australian Labor Party in Canberra and test the authority of Mr Bob Hawke, the Prime Minister.

Uranium mining is supported by Mr Hawke, his Cabinet and the parliamentary ALP, but inspires bitter opposition on the left-wing of the party.

Australia has about 30 per cent of the West's low-cost uranium—far more than any other country.

Yesterday, an ALP policy committee produced a compromise uranium motion that is likely to be approved at next week's conference.

It endorses continuation of uranium mining and export and would enable new export contracts to be negotiated by Australia's two uranium mines, Ranger and Nabarlek.

The motion also envisages a go-ahead for development of the huge Olympic Dam mine—the world's richest uranium mine—at Roxby Downs, in South Australia. The partners in the planned A$2bn (£.3bn) Olympic Dam project are *Western Mining Corporation* (51 per cent) and BP Australia (49 per cent).

However, next week's conference is expected to vote for a continuation of the ban on uranium sales to France because of French nuclear testing in the South Pacific.

In the first 10 months of last year, Australia exported 2,532 tonnes of nranium, worth A$233m. Exports could rise to more than A$1bn by 1993.

Under present contracts, Queensland Mines is committed to supplying Electricité de France, the French power utility, with 2,600 tonnes of U308. If this sale is blocked, Australia risks a worsening of trade relations with France and the EEC.

In addition, Australian producers are under contract to supply relatively large quantities of uranium to Japan, which is contemplating nuclear waste dumping at sea — yet another issue that infuriates the ALP left-wing.

Mr Hayden said yesterday: "The government is committed to complete nuclear disarmament. Until disarmament is won, it supports deterrent as the only effective alternative and it believes that the joint (U.S.) facilities, and our position as a producer of uranium, give us an unusual opportunity to make deterrent effective."

Muzorewa release rejected

BY TONY HAWKINS IN HARARE

A ZIMBABWE Government tribunal has recommended that former Prime Minister Bishop Abel Muzorewa, detained by Mr Robert Mugabe's Government last October, be kept in detention at least until September.

Announcing this in the Zimbabwean Parliament yesterday, Mr Simbi Mubako, the Home Affairs Minister, said the review tribunal had found that the Government had had good grounds for detaining Bishop Muzorewa, who is leader of the opposition United African National Council and was Prime Minister for a year in 1979 prior to legal independence being agreed.

Te Minister said the Bishop's case would be reviewed again in September. He was accused of conspiring with South Africa and Israel to overthrow the Government.

In a separate development, the Energy Minister, Mr Munyaradzi, revealed that repairs, following the accidental explosion at the Hwange Thermal Power plant in March, which killed four people, will cost between Z$15m to Z$20m.

Kashmir police clash with protestors

SRINAGAR — Police opened fire and used teargas yesterday to disperse stone-throwing demonstrators in Kashmir as violence broke out following the replacement of the Chief Minister.

Police using teargas and batons broke up demonstrations in two areas of Srinagar, capital of the sensitive state bordering Pakistan, which was plunged into political turmoil by the sacking of Chief Minister Mr Farooq Abdullah on Monday.

In a third incident, in the centre of the popular tourist resort, police opened fire to stop a clash between Abdullah supporters and followers of his successor — his brother-in-law Mr Ghulam Shah.

Abdullah loyalists, waving black flags, tried to stop supporters of the new administration tearing down a portrait of the ousted leader. Police said no casualties were reported.

Mr Shah earlier accused his predecessor of causing a major crisis in the Himalayan territory and bringing it into an unnecessary confrontation with Prime Minister Indira Gandhi's Government. Mr Abdullah has called for state-wide strikes and a civil disobedience campaign to force fresh elections.

The crisis came to a head when Mr Shah defected with at least 11 other members of the ruling party, leaving Mr Abdulla in a minority in the state assembly.

The State Governor refused to hold elections and Mr Shah became Chief Minister with the backing of 26 assemblymen from Mrs Gandhi's Congress (I) Party. Abdullah supporters and other opponents of Congress (I) called the move unconstitutional.

Mr Abdullah said yesterday he would tour rural areas to drum up popular support for the civil disobedience campaign.

A curfew in most of Srinagar was relaxed on Tuesday but remained in force in areas where Mr Abdullah enjoys strong support.

Officials said 11 aircraft carrying paramilitary troops had arrived in the state to head off possible unrest. Police said the troops set up checkpoints on the outskirts of the city to prevent Mr Abdullah's supporters entering from outlying towns and villages.

Lebanese army cheered on Beirut streets

BEIRUT — Lebanese army troops met no resistance as they fanoed out in the Christian and Moslem halves of Beirut yesterday, beginniog a three-day operation to restore peace to the capital.

Army patrols of jeeps, tanks and armoured personnel carriers toured the streets of the city in the early afternoon, a few hours after the deployment began at daybreak. Nearly all the Moslem and Christian *militiamen who had ruled ths* divided capital for mucb of the past nine years stayed off the streets.

The traditional civil war fronts in and around Beirut were quiet throughout the day as the army's 5th and 6th brigades spread through the Christian and Moslem sectors, backed by battalions from the 3rd and 9th brigades.

The troops were deployed a few hundred yards behind the militiamen on both sides of the mid-city Green Line. They were to link up by midnight and *today* open the five-kilomtre demarcation line that bas split the capital for nine years.

The third day of the operation is to be devoted to reopening Beirut's port and international airport and securing the roads to the two facilities wbich have been closed for five months.

But even as the peace operation got under way in Beirut, fighting broke out for the third day in Tripoli, Lebanon's second-largest city 50 miles north of Beirut.

The artillery and machine gun battles pitted Moslem fundamentallsts against Syrian-backed groups. Tripoli police said four people were killed and more than 40 wounded.

In Beirut, residents stood on balconies and sidewalks to watch the Lebanese troops go by. Some cheered and olhers, in neighbourhooda close to the Green Line where the fighting hes been most intense, sprayed the troops with rose water, rice and flowers.

Lebanon's National Unity Cabinet, whicb comprises the country's main Christian and Moslem warlords, went into session at mid-morning to monitor the army's deployment.

AP

Rapid expansion brings anxiety, **Bob King** reports from Taipei

Taiwan economy set for expansion

THE TAIWAN economy appears to be headed for another year of higb growth, in which the real increase in gross national product is likely to exceed 9 per cent. But the rapid growth, ironically, worries Taiwanese planners, wbo value economic stability more.

Exports, foreign orders, new investments and plant approvals bave all increased dramatically this year, and two-way trade should easily top $50bn in 1984. Semi-official projections put first-half growth of the GNP at close to 12 per cent.

That sbould be enough to satisfy any government economist, but Taiwan's planners see too close a resemblance to the 1975-79 period following the first "oil sbock." Then, Taiwanese industry expanded at a break-neck pace only to trigger massive inflation.

The Government managed to reduce the inflation rate to manageable levels—and cool off the rampant property speculation that accompanied the inflated money supply—by severely tightening the money supply and restricting credit. But planners, who favour gradual growth accompanied by price stability, do not wisb to see the cycle repeated.

The Taiwan economy has never been seriously troubled by the world recession of the past few years, despite tbe island's depeodence on world export markets for its economic wellbeing. Exports last year, for instance, accounted for more than balf of GNP (about $50bn). In the trough of the recession in 1982, the GNP growth rate fell to an eight-year low of 3.9 per cent—still respectable by world standards but a miserable sbowiog for Taiwan, where real annual growtb averaged 10 per cent during the 1970s. Most factories continued to operate during the recent recession, althougb at less than boom-year levels, and, wben foreign demand for goods picked up last year, GNP growth surged to more than 7 per cent.

Demand is still increasing: Government figures sbow that exports of electronic products increased by 49 per cent during the first five months year-on-year, refined metals 46 per cent, garments 35 per cent, footwear also 35 per cent, plastic products 50 per cent, and machinery 30 per cent. Overall, exports during the first five months were up 32 per cent to $12.2bn over the same period last year.

But imports, especially of capital goods such as new machinery to replace ageing plant, have not kept pace. Imports increased by only 15 per cent during the period to $8.9bn, leading planners to project a record trade surplus of more than $8bn for 1984, compared with $4.8bn last year. The failure of manufacturers to import new machinery puts a damper on government bopes of a quick industrial upgrading, and the nation's foreign-exchange reserves have already exceeded $15bn, raising the spectre of massive increases in the local money supply and more inflation.

"We're very mucb concerned," says Dr Sun Chen, vice-chairman of the Council for Economic Planning and Development. "A $8bn surplus equals 14 per cent of our annual GNP, compared with Japan, wbere total exports are less than 14 per cent of their GNP. A small country cannot afford this—this is $8bn that cannot be used for domestic consumption or investment because of restrictions bere on the handling of foreign exchange."

The relatively strong position of the U.S. dollar, which appreciated nearly 50 per cent against other major currencies between 1980 and late 1983, a 10 per cent depreciation of the new Taiwan dollar during the same period, and the strong recovery of the U.S. market, which traditiooally takes about balf of Taiwan's exports, was largely responsible for the record surpluses.

The Government is now working hard to improve the import picture, bowever. Over the past year, it has lowered duties on thousands of items and has removed place-of-origin restrictions on others. The high duties reflected long-standing efforts to protect local industries and at the same time to garner foreign exchange—which the country now bas in abundance.

Lower tariffs, especially on capital goods, might persuade manufacturers to reinvest in more efficient, higher-quality machinery. They would thus fulfill the planners' hopes for a rapid transition from more-traditional, labour-intensive industries that over the last decade created the Taiwan "economic miracle."

In fact, the bulk of accelerated exports so far this year has been from "traditional" industries such as textiles, footwear and plastics. Although planners say there bas been a bigher value-added content in goods from *these* industries—for instance, more garments and fewer intermediate textile products are now being exported—manufacturers are still largely reinvesting in expansion of capacity rather than in better equipment or high-tech industries.

FREER IMPORTS 'A PRIORITY'

TAIWAN'S new Government has named import liberalisation as its top priority for the next two years, a remarkable contrast to the traditional focus on maintaining export growth, writes Our Taipei Correspondent. At the same time it plans to continue to npgrade local banking practices.

The government reshuffle, now complete at top levels bnt still continuing at lower levels and within the ranks of the ruling Nationalist Party, reflects the new economic strategy: the new Prime Minister formerly beaded the central bank, the Economics Ministry is now headed by the former Finance Minister, and the new Finance Minister bas served in that ministry and government financial institutions for the past 12 years.

Although the policies have been carried over from the previous administration, the new Cabinet has been especially vocal in announcing them. Prime Minister Yu kuo-Hwa, in his first administrative report to the Legislature, said that the government will let market forces play an increasing role in the economy and will lower import barriers that bave stood in the way of better economic relations with other nations.

Philippines seeks debt moratorium extension

By Emilia Taguza in Manila

THE PHILIPPINE Government has asked foreign commercial creditors for another 90-day moratorium on repayments of loan principal after the current standstill ends on *July 16*. The extension was made necessary by the Government's failure to clinch the SDR 615m (£470m) standby credit from the International Monetary Fund (IMF), which has been under works for about 10 months.

This is the third extension of the moratorium first declared in October last year, bringing to a full year to suspension of payments on principals of Philippine foreign loans.

President Ferdinand Marcos had hoped the IMF credit would be in place last month but the Government failed to meet certain targets it committed to the IMF, particularly the limits set on domestic liquidity.

Another IMF team is expected in Manila next week, although Mr Jose Fernandez, the Central Bank governor, said he did nor know whether it will negotiate and finalise the deal or will merely assess economic developments since the last IMF mission early in June. Senior bankers said even if the team is a negotiating mission, there is no cause for optimism.

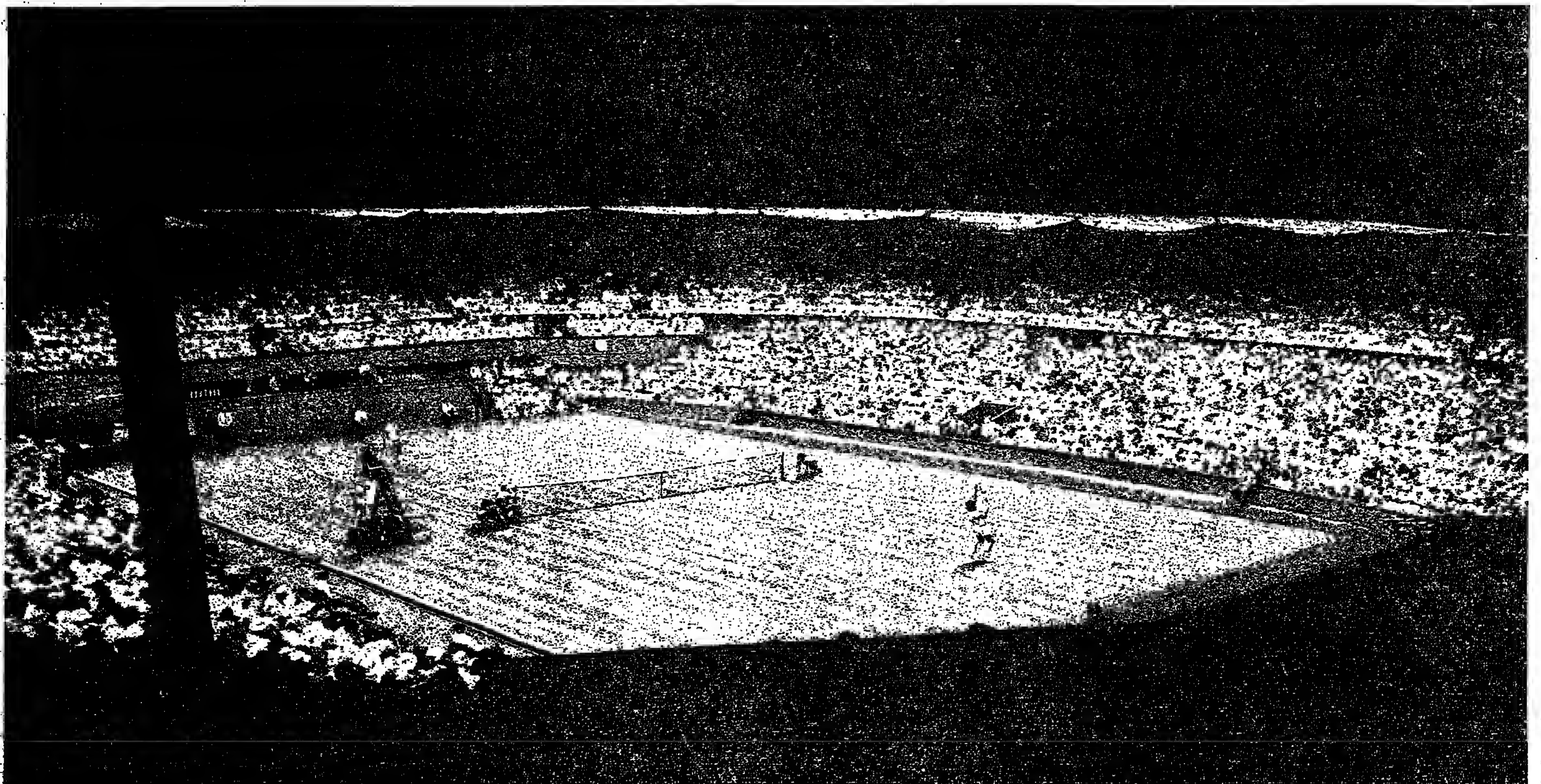
One banker said one difficult issue is the Government's failure to cut the so-called reserve money, which is the controlling mechanism for liquidity. Another issue is the peso's exchange rate against the dollar. The peso was devalued 22 per cent last mooth to 18 pesos to the dollar, but bankers said it is still overvalued as indicated by the abseoce of active trading at that rate.

Israeli strikes widen

ISRAELI STRIKES WIDEN

Israeli was hit yesterday with a widening wave of strikes that disrupted services ranging from electricity and water supplies to sessions of the rabbinical courts, AP reports from Jerusalem.

Foreign ministry employees voted to press tbeir demands for pay increases. However, union leader Yoav Babiri told Israel Radio that the workers had not yet decided bow to translate their vote into action, but one possibility was to stop hosting visiting dignitaries.



Jesse Jackson pledges support for Mondale

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

THE REV Jesse Jackson has pledged his support to Mr Walter Mondale as the probable Democratic contender in this year's U.S. Presidential elections, in the interests of defeating President Ronald Reagan in November.

After a meeting between the two men in Kansas City, Mr Jackson nevertheless made it clear that not all the issues that have divided them had been resolved and that he intended to keep his own Presidential candidacy alive until the San Francisco Democratic convention later this month.

Mr Mondale's advisers said that after Tuesday's talks they were confident that the convention would be conducted positively and with minimal disruption. Mr Jackson said that convention "debates" should not be mistaken for divisions that would prevent the party from uniting against Mr Reagan.

Calling his opponent "the likely nominee," Mr Jackson for the first time said that Mr Mondale had "won the nomination fairly." But he made it clear that party rules governing the selection of convention delegates, which he considers unfair, were one of the issues that had yet to be resolved.

The Mondale campaign has been anxious to win Mr Jackson's support in the November election campaign because of his massive influence with black voters. The former Vice President's advisors remain concerned, however, about the potentially negative impact on the Jewish vote of Mr Jackson's links with the anti-semitic Minister Louis Farrakhan, leader of the small black extremist group, Nation of Islam, as well as anti-Jewish remarks made in the past by Mr Jackson himself.

After their meeting, Mr Mondale praised Mr Jackson for recently dissociating himself from Mr Farrakhan and indicated that he would not in future criticise Mr Jackson's position on the issue. Mr Mondale said that he and Mr Jackson were "working together now" for a successful convention.

Mondale supporters have been concerned that Mr Jackson might disrupt the convention in protest over his proportionately small share of delegates. Although he won 21 per cent of the popular vote in the primaries and caucuses that ended last month, Mr Jackson will have only about 8 per cent of the delegates in San Francisco under party rules.

The Mondale camp has also been nervous over Mr Jackson's support for some third world revolutions, the Palestine Liberation Organisation and his recent highly publicised visits to Cuba and Nicaragua.

Mr Jackson gave Mr Mondale a list of black and Hispanic women for consideration as Vice Presidential candidates, but did not press the point too hard. Mr Mondale yesterday continued his series of interviews with potential running mates with a meeting with the first Hispanic on his list, Mr Henry Cisneros, the Mayor of San Antonio.

Shultz aims to reaffirm Pacific alliances

By Our U.S. Editor in Washington

MR GEORGE SHULTZ, U.S. State Secretary, leaves tonight for a 12-day tour of the Far East, Australia and New Zealand intended to reaffirm U.S. support for its Pacific alliances.

After a brief stop in Hong Kong, Mr Shultz is to travel via Malaysia and Singapore to Indonesia for a ministerial meeting of the Association of South-east Asian Nations (Asean) on July 12 and 13. He is then due to visit Australia before attending the annual Australia-New Zealand-U.S. (Anzus) pact ministerial council in Wellington.

U.S. officials said the main thrust of Mr Shultz's trip will be to re-emphasise U.S. support for Asean, now the U.S. fifth largest trading partner, and Asean's strategy of working for the withdrawal of Vietnamese occupation forces from Kampuchea.

The U.S. will have no specific new proposals on Kampuchea, officials said. Mr Shultz will want continued backing for the Asean strategy, which is to hold out the inducement of trade and economic benefits to Vietnam if i twithdraws its froces.

The state department believes a political settlement in Kampuchea could, in time remove or reducethe growing Soviet military presence in Vietnam.

Officials stressed, however, that Vietnam would also have to co-operate on the continuing problem of the Americans listed as missing in action in the Vietnamese war before consideration could be given to normalising U.S.-Vietnamese relations.

Security assistance, was bearing the main burden of the fighting and the refugee problems it had created, be said.

The portion of the trop thet could embarrass Mr Shultz will be his visit to New Zealand, where he arrives the day after the snap general election called by Mr Robert Muldoon, the Prime Minister, for July 14.

The opposition Labour Party, which has a fair chance of winning the election, is committed to banning U.S. nuclear-armed ships from New Zealand and renegotiating the Anzus alliance.

FIGUEIREDO CALLS FOR URGENT TALKS WITH WEST TO RELIEVE DEBT BURDEN

Brazil's trade surplus soars to record high

BY ANDREW WHITLEY IN RIO DE JANEIRO

BRAZIL'S external trade soared to new records in June, producing a surplus for the first half of the year of $6.03bn (£4.5bn). This is well above the most optimistic expectations and equal to the whole of the 1983 record surplus.

As news of this strong trading performance was announced it was revealed that President Joao Figueiredo had sent a letter to President Ronald Reagan calling for urgent talks with Western industrialised countries on ways to relieve the developing world's debt burden.

The letter, sent on Tuesday, was prompted by the recent rise in U.S. prime rates, and is the latest in an exchange of correspondence between Western leaders and their Latin American counterparts in the wake of the Cartagena summit of the region's mai ndebtors.

Announcing the figures, Sr Carlos Viacava, the Foreign Trade chief, forecast that Brazil would achieve a surplus of $11bn "with ease" in 1984. This will reduce significantly the country's borrowing requirement next year from the international capital market.

In June, exports, helped by a strong performance from coffee, hit the record figure of $2.51bn. Imports, at $1.2bn, remained low showing no signs of recovery.

In the excitement over the trade surplus—currently by far the brightest star in the Brazilian economic firmament—little official attention is being paid to the possible danger signals for the economy represented by the continuing decline in imports.

Less agreeable for the economic authorities will be the need, once again, to request a "waiver" from the International Monetary Fund on the country's failure to meet some of the economic performance targets set for the first six months.

Privately, officials acknowledged that Brazil has breached the agreed ceilings for three indicators: the nominal public deficit, monetary base and means of payment. To blame is the persistence of inflation at levels considerably higher than had been anticipated.

The monthly rate of inflation now looks firmly stuck in the 9 to 10 per cent range—producing an annual rate of around 230 per cent—and the *Government is casting around for new* ways to tackle the problem. Price controls are being modified or abandoned, in a number of key sectors, such as public utilities and vehicles.

An IMF mission is expected in Brazil next month, on one of the Fund's regular inspection visits and the inflation problem is certain to be on the top of the agenda.

Brazil has attempted to use its moral authority as a country which has co-operated fully with its creditors, and with the austerity medicine dosed out by the International Monetary Fund, to press hard for action on the indebted countries' grievances.

General Figueiredo warned the U.S. President that the already grave economic hardships and political tension being encountered in indebted countries would reach "unsupportable levels" in the event of an intensification of "adverse external factors."

He said the 17-point "Consensus of Cartagena" was a good starting-point for discussions with Western Governments. These proposals, which include calls for an immediate reduction in interest rates and the establishment of a special fund to alleviate the impact of debt-interest payments, were described in the letter as "valid, realistic and pragmatic."

The U.S. has so far responded coolly to the idea of taking the debt question out of the forum of the banks and the international lending institutions.

● Sr Aureliano Chaves, Brazil's Vice President, at one time the most popular choice to succeed President Joao Figueiredo next year, has announced that he is standing down as a candidate. The withdrawal from the succession race of Sr Chaves and of Sr Marco Maciel, a Federal Senator from the official Partido Democratico Social, on Tuesday made explicit the long apparent divisions in the strike-torn party.

Aluminium producers shrug off the jitters

BY IAN RODGER

THE aluminium industry is nothing if not volatile. A little over a year ago, the market price of aluminium ingot was around 50 cents per pound. By last November, it had jumped to over 80 cents and now it has settled back down again to *around 65 cents.*

A year ago, U.S. producers were all rushing to reopen smelters to take advantage of surging demand. In the past month, three of them, Aluminum Company of America, Kaiser Aluminum and Chemical and Martin Marietta have announced smelter closures.

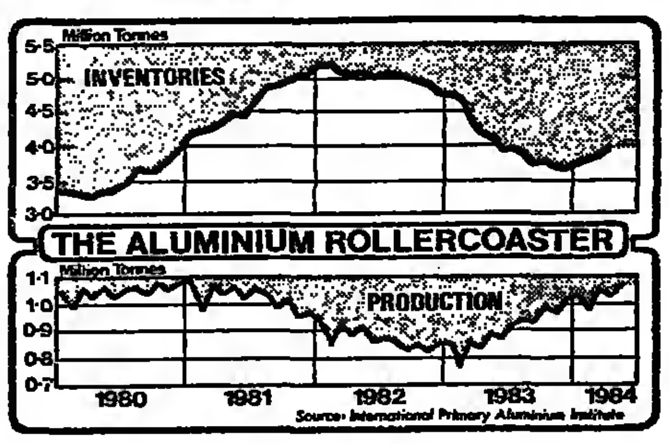
Is another dreadful slump, like that of 1981 and 1982, on the way, or is this just an inevitable correction to the enthusiastic resurgence of production that has occurred in the past year?

Producers hope that it is just a correction, and there is considerable evidence to support the optimistic view. Production and inventory trends have been fairly stable in the past six months and Western world consumption is expected to rise a healthy 8 per cent this year. But there is also a lot of nervousness about the course of the U.S. economy.

The U.S. market is crucial to the aluminium industry. Whereas only about a quarter of the Western world's steel is consumed in the U.S., nearly 40 per cent of all aluminium is used there.

Most of the traditional markets for aluminium are highly volatile. Until recently, about half of all aluminium are highly went into transportation and building products, such as aircraft and truck trailers and siding and window frames for buildings.

Typically, these sectors also tend to lead an economic recovery and fade when the emphasis shifts to spending on capital goods. Demand for common alloy sheet, used widely in house construction, has softened in recent months in line with the slump in U.S. housebuilding, and Alcoa withdrew a planned 5 per cent increase in May.



However, apart from that market, and some general softness attributed to the approach of summer holidays, producers say that business is holding up well.

"We are on a plateau after a very rapid recovery," a spokesman for Canada's Alcan Aluminium, said, "but we don't see any sign of a slump."

Producers hope that demand for aluminium is becoming less volatile as they develop less cyclical markets, such as that for beverage cans. The container and packaging market now accounts for over a quarter of U.S. aluminium shipments and the industry hopes to make further major advances by developing aluminium cans for food.

Producers argue that the sharp decline in prices this year is mainly an adjustment to last year's dramatic recovery. When demand and prices shot up, producers responded by raising output too quickly. Alcan estimates that 1.5m tonnes of annual capacity came back into operation last year, about a 14 per cent rise on the 1982 western world production rate. Consumption rose a robust 9 per cent in 1983, but it was not enough to absorb this new supply.

Demand and prices were buoyed last year to some extent by consumer stock rebuilding and hedge buying against price increases. When those pressures eased early this year, aluminium trading prices on the London Metal Exchange plunged. Yesterday's spot price was £901.5 a tonne compared with £1,123 in January.

The fall in prices has made some smelters uncompetitive again. Alcoa said it was reducing production in Washington state and Tennessee.

Today, there is a lot of government-owned smelting capacity, especially in Western Europe, that tends to continue producing regardless of market conditions, thus exacerbating supply and making the bad times much worse than they used to be.

Meanwhile, the sharp increase in energy costs has hurt the competitiveness of a lot of older smelters, and markedly improved the position of those with access to low cost electricity, notably Alcan.

The Canadian company, which used to play the role of swing supplier, suddenly changed its policy in the last recession, carrying on a high rate of production. The U.S. producers appear to have accepted that they are now the swing suppliers. And their recent cutbacks, which involve a modest 194,000 tonnes of capacity in all, suggest that they will be very effective in this role, responding quickly and sensitively to changes in market conditions.

That too may help to remove some of the traditional volatility in this industry.

Argentina embarks on austerity programme

PRESIDENT Raul Alfonsin's Government has ordered sharp price increases for petrol, transport and public utilities — the first steps in an austerity programme sought by Argentina's creditors, writes Reuters from Buenos Aires.

The Government also called for a modest 12 per cent wage rise for the private sector, far behind June's estimated 17.8 per cent inflation over the previous month. It said public sector wage rises would be announced later.

The President said that the effort of the state, which had to set an example, will be aimed at reducing the fiscal deficit and at (implementing) austerity measures that will be furthered and adopted day to day," Sr Jose Ignacio Lopez, the Presidential Press spokesman said.

WORLD TRADE NEWS

UK group wins first big Malaysian order since ban lifted

A 30 PER CENT Malaysian associate of Henry Boot International, the British engineering group, has won a major portion of a $217m telecommunications contract from the Malaysian Government.

The contract is significant in that it is the biggest won by a British company since the lifting of the "buy British last" directive of the Prime Minister, Dr Mahathir Mohammed, in April last year.

The contract, for the construction and equipping of microwave stations, is the last major package of a $1.2bn modernisation programme of the Malaysian telephone system.

Under the deal, ITT, the U.S. telecommunications group, will supply microwave equipment worth about Ringgit 230m ($54m), while Treggo Bina will undertake the design and construction of 200 buildings and *towers throughout East and* West Malaysia for Ringgit 270m.

Treggo is 70 per cent owned by Datuk Razak Bin Yusof, a prominent Malay accountant and businessman, and 30 per cent by Henry Boot, which set up an office in Kuala Lumpur three years ago.

The Treggo-ITT partnership won the contract over Fujitsu and NEC of Japan and General Telecommunications and Electric of the U.S. At one stage, NEC was strongly tipped to win since it already won the first part of the package for the supply of switchgear.

Treggo-ITT submitted the lowest bid, and what tipped the scale in its favour was the presence of a strong local partner, with a record in road building in rough terrain since the contract calls for the building of 150 miles of roads.

Datuk Yusoff said construction of the microwave stations would start in October and the project is expected to be ready in three years.

Mr David Melton, director of Treggo and Henry *Boot* representative in Malaysia, said tha contract provided "a tremendous boost" to tha two companies.

Bernard Simon reports from Toronto on provincial taxes that exasperate EEC negotiators

Canadian liquor laws sours wine row with Brussels

"WE'VE reached the end of our tether," complains a member of an EEC delegation in Ottawa about a long-running dispute over Canadian curbs on wine and spirits imports.

Hise exasperation is understandable, but no solution to the problem is in sight. EEC countries, divided among themselves on the issue, have to negotiate with the Federal Government in Ottawa which has little control over provincial authorities regulating Canada'a drinks trade. A further complication is Canadian complaints against the EEC on wine and other products; some negotiators think that talks on wine and spirits may eventually be linked to Canadian complaints about EEC cuts in duty-free newsprint imports.

Each of Canada's 10 provinces has its own set of complex liquor laws. In an effort to protect local producers and at the same time bolster Government coffers, the provinces levy a bewildering variety of duties and taxes on imported wine and spirits, including even those "*imported*" from *other parts* of Canada. The North-West territories are in the unique position of imposing higher duties on Canadian table and fortified wines than o products from other countries.

The EEC's complaints are directed mainly against Ontario which is the biggest market for liquor, but also is the province where 60 per cent of Canada's own wines are grown.

Ontario revamped its tax structure on wine a year ago, bowing to U.S. demands to abolish a "handling charge" of 65 cents a bottle on imported wines. Canada is the second biggest market for U.S. wines. Instead, a "base reference price" — or floor price — of C$5.45 (£3) a bottle was introduced to keep out cheap Italian Table wines which where then flooding the market. The province also levies a mark-up of 58 per cent on Ontario wines and 123 per cent on imported products.

The new system has succeeded in discouraging purchases of the Italian product. Sales of Italian *white* wines in Canada slumped by about a quarter in the first three months of this year, compared with January-March 1983. Italy's market share has dipped from 13.4 per cent to 10.1 per cent. Its share of red wine sales has declined from 18.3 per cent to 17.4 per cent. The drop in Ontario has been even greater.

But the floor price system has also bad a unintended side-effect. Coinciding with the depreciation of the French franc, it has made many French wines relatively cheap. Even though many popular French labels are slightly more expensive in nominal terms than Canadian or other European wines, they *have* a *clear* lead in image and reputation. The market share of French red wines in Canada has climbed to 39.4 per cent in the first quarter of 1984 from 31.2 per cent a year earlier. Sales of French white wine have jumped by 38 per cent to a market share of 25 per cent, despite a stagnation in overall wine sales.

The strong performance of French products naturally makes the French Government hesitant to keep up the anti-protectionist pressure on Ottawa. According to the EEC official, the Commission has been been unable to decide on a common negotiating stance, beyond asking the Canadians to *start rolling back protectionist* measures. The EEC told Canada last month it intends lodging a formal complaint with the General Agreement on Tariffs and Trade (Gatt) if a satisfactory arrangement is not worked out.

EEC members do agree, however, that Canada is placing a growing number of obstacles in the way of their products. Ontario, and mora recently Quebec, allow private battlers to operate retail outlets on condition that they do not stock other labels.

None the less, there is another side of the story. The distortions caused by the new floor price system in Ontario *mean* that *protectionism is* barming rather than belping Canada's own wine industry. Just as a handful of local winerles were beginning to gain a reputation *for* consistently palatable wines, the surge in demand for French labels threatens to put some out of business.

Mr Donald Ziraldo, president of Inniskillin Wines of Niagara Falls, whose up-market Rieslings, Chardonnays and other varieties have make a considerable impact in recent years, says that "we've been devastated." Inniskillin's sales have dropped by a third since last August, and the winery is sitting on big stocks of grapes, partly because of heavy purchases of the good 1983 crop whan it looked as if Canadian winemakers had begun to overcome their image problems.

EEC EASES CURBS ON AMERICAN WINE IMPORTS

THE EEC has bowed to U.S. pressure to liberalise its restrictions on American wine imports in a move that will be viewed as an attempt to defuse tha threat of retaliation by Washington, Ivo Dawnay writes from Brussels.

A new regulation, formally adopted by Community farm ministers, has eased the stringent EEC rules on prodnction and labelling standards that have long been viewed by U.S. producers as arbitrary barriers to trade.

In return, the U.S. Government has agreed to end the use by American producers of generic names such as Burgundy or Bordeaux on thair products which in Europe can only be applied to wine certified to have come from those ragions.

Adjustments to regulations by both sides have been under discussion since 1976 and some will be subject to review after scientific reports

They come in the context of increasing U.S. anger at the imbalance in the wine trade which last year saw Community sales of 6.2m hectolitres, worth Ecu 735m (£1.2bn), to the U.S. and only 60,000 hectolitres, worth Ecu 9m, entering the EEC from the U.S.

EEC urged to ease access of Third World exports

BY QUENTIN PEEL IN BRUSSELS

THE EUROPEAN Commission is proposing new measures to the ten member states of the EEC to allow easier access to the European market for both industrial and agricultural products from developing countries under its Generalised Scheme of Preferences (GSP).

The proposals, which would primarily benefit Asian, Latin American and East European countries are not members of the Lomé Convention, would relax quota restrictions on a number of industrial products, and also increaaa the number of agricultural products with preferential access to the market.

The Commission estimates that the GSP in 1985 will cover *developing country exports* worth some £10.8bn, and offer these countries potential savings of some £480m in reduced customs duties. Only a handful of products would actually be covered by the proposed amendments however.

Twelve industrial products would be removed entirely from the list of "sensitive" items subject to specific quotas —including such products as glass inners for vacuum flasks (of particular concern to India), saccharine, cortizone, and a variety of chemical products. A further 11 industrial products would be transferred from rigid quota restriction to a more relaxed general ceiling, including methanol (from Mexico), shoes from Argentina and Uruguay, and tiles from Thailand.

On agricultural products; the Commission has proposed reductions in duty within the quota for tobacco, which should also benefit India, as well as the inclusion of four new products in the list of items with preferential access, including cheese fondues and locust beans.

British railway coaches ordered by Gabon

BY HAZEL DUFFY, TRANSPORT CORRESPONDENT

BRITISH RAIL Engineering (Brel), a BR subsidiary, has won an order from Gabon State Railways for its first passenger rail coach to be designed specifically for the export market.

The order, for 10 coaches and wagons, is worth £3.5m. Although relatively small, it strengthens Brel's position in the ex-French African territorries—two years ago it won a 34m order for Congo Railways.

The new "International Coach," launched officially yesterday at Brel's Derby works, has been designed to meet the requirements of BR and railways worldwide. It can be built to suit the lengths, heights and widths of any railway system in the world. It will be built on a modular construction basis allowing volume production techniques in manufacturing, which Brel claims is a small revolution in passenger coach manufacturer.

Until now, export orders have required individually designed coaches for each operational system, pushing up uoit costs particularly when the design costs have to be spread over a small order. Modular fittinga and layonts will also provide a degree of interior flexibility ao that coaches can be built to luxury specifications or basic ecooomy needs according to the demands of the customer. Typical *bodyshells* will be based *on* 20 metre, 23 metre and 26.4 metre lengths.

Brel's "International Coach": flexibility of interior design.

Brel has taken three years and spent £4m developing the coach.

Brel market estimates put rail coach imports worldwide over the next 10 years at an average 600 vehicles. It hopea *to take 100 of these. Building* passenger coaches is a more sophisticated design and manufacture than wagon building, so it ia believed there will be less competition from the developing world than there is for wagons.

India may manufacture advanced Soviet fighter

BY K. K. SHARMA IN NEW DELHI

A HIGH-POWER Indian Defence mission is now in Moscow to discuss a proposal for the manufacture of the advanced MIG-27 warplanes under license by the government-owned Hondusthan Aeronautics at its plants in Bangalore and Koraput.

The MiG-27 has been promised by the Soviet Union to the Indian Government on easy terms, mainly to lure India away from Western aources to which the country turned for aircraft and other weapons in a bid to diversify sources of supply of defence equipment.

The aircraft bas still to be flown by the Sovlet air force and indications are that Moscow will allow it to enter service in India at roughly the same time as it starts being used in the Soviet Union. Plans for its manufacture in India include transfer of technology for making subsequent versions of the MiG, including the MiG-29 and the MiG-31 which are still in the drawing-board stage.

India's decision to manufacture the MiG-27 under licence will affect mainly the French company of Breguet Dassault since its efforts to persuade the government to manufacture the Mirage 2000 have failed. India has ordered 40 Mirage 2000s but bas decided not to exercise tha option to manufacture tha aircraft.

The Indian air force already flies the MiG-21 and its successor, the MiG-21-BIS, both of whlcb were manufactured by Hindusthan Aeronautics.

The defence mission now in Moscow is led by Air Marshal L. M. Katra, chairman of Hindusthan Aeronautics, who is to be next air cbief. The team will also discuss plans for the production of electronic counter-measures for the three armed services under an agreement reached with Marshal Dimitri Ustinov, the Soviet Defence Minister, when he visited India earlier this year.

UK NEWS

Pessimism over prospects for pit strike talks

BY OUR INDUSTRIAL STAFF

PROSPECTS for an early settlement of the bitter and protracted coal strikes rest on talks scheduled for today and tomorrow between the two sides, the National Coal Board (NCB) and the National Union of Mineworkers (NUM). Few involved in the dispute seem optimistic about their outcome.

Mr Ian MacGregor, chairman of the NCB, still has the same demand to reduce capacity by 4m tonnes, including the closure of uneconomic pits. The NUM still insists that the closure programme must be withdrawn. The last meeting between the two parties, on June 13, ended in recriminations with each side blaming the other's intransigence for the breakdown.

The NCB is persevering with the second part of its strategy, to encourage striking miners to return to work. "In the absence of a national settlement," Mr Ken Moses, director of the NCB's North Derbyshire area, said, "the only way to solve it is a drift back to work. So let's encourage it."

The NCB this week has been taking full-page advertisements in national *newspapers to try to per*suade the miners to end their strike.

The North Derbyshire area has become the focus for the coal board's hopes of achieving a start to this "drift back to work." Mr Moses is among those who see little likelihood of an immediate negotiated settlement. "As long as the NUM refuses point blank to contemplate that some pits are going to close with some coal in them, I can't see how we can settle it. You are really getting down in the end to who is going to manage the industry."

The number of men working at North Derbyshire collieries has increased, but so has the amount of picket-line violence. About 1,000 pickets were outside the Shirebrook pit yesterday and the police made several arrests.

Mr Norman Tebbit, the Trade and Industry Secretary, yesterday attacked miners' pickets as "a bunch of most ruthless and violent bullies." Another 20 arrests were made outside the British Steel plant at Llanwern, South Wales.

Drawings sold for record £21.1m

BY ANTONY THORNCROFT

SEVENTY ONE old master drawings from the Duke of Devonshire's collection at Chatsworth House, Derbyshire, sold for £21,179,800 at Christie's in London. The total was a record for any auction held in the UK and far exceeded Christie's pre-sale forecast of around £7.5m.

The drawings had been offered to the British Museum for a reputed £5m, but there were arguments about the sum and certain attributions. After the auction last night, the Duke said he was sad that no deal had been possible that would have kept the drawings in Britain, but the prices realised at auction justified his decision, even though he will now have to pay capital gains tax.

The sale set many records. A study of a man's head by Raphael sold for £3,564,000, a record for any picture at auction and only exceeded by the Henry the *Lion gospels, which sold at* Sotheby's last year, for £8m. The Raphael was bought for a private collector. A page from Vasari's Libro de Disegni, with many drawings attributed to Fillipino Lippi made £3,240,000.

Almost every drawing offered (only one was unsold) established an auction record for the artist. A Hans Holbein portrait of a scholar fetched £1,566,000 to the London dealer Baskett & Day. It was bidding on behalf of the Getty Museum at Malibu, California, which acquired seven lots for a total of £6,858,000.

Even so, it was outbid on some *drawings and the action in the* saleroom was widely spread among British, continental and American dealers and museums. Getty also bought "St Paul Rending His Garment" by Raphael for £1,512,000; "Four Saints" by Mantegna for £1,188,000; and "A Man Threshing Beside a Wagon" by Rubens for £756,000.

Other high prices were "A View of the Amstel" by Rembrandt, £648,000 also to Getty; £604,800 for "Three Groups of Apostels" by Rubens (Getty again) and a portrait of Hendrick Van Baylen by Van Dyck for £583,200 (Getty).

There was a round of applause at the end of the auction from the packed saleroom. Although in theory all the items sold will require export licences, because they have been offered first to the British Museum it is unlikely that any sold abroad will remain in Britain.

Thatcher to chair Hong Kong meeting

BY ALAIN CASS, ASIA EDITOR

MRS MARGARET THATCHER, the Prime Minister, is to chair a meeting at Downing Street tomorrow of Britain's negotiating team for the talks between London and Peking on the future of Hong Kong.

These talks have reached a detailed and advanced stage and this latest review of the negotiations is believed to be crucial.

Sir Richard Evans, Britain's ambassador to Peking, and Sir Edward Youde, *Hong Kong's* governor, had talks in Whitehall yesterday with Mr Richard Luce, a Foreign Office minister. They will see Sir Geoffrey Howe, the Foreign Secretary today.

In Peking, meanwhile, detailed negotiations on an agreement for the future of the colony after 1997 – when Britain's leases run out – continued. They are believed to be at their most delicate stage.

Officials in Whitehall yesterday refused to comment on reports that China had proposed establishing a joint working party to monitor the colony's transition to China.

The reports have caused some concern in Hong Kong because such a working group, it is feared, might give China an effective say in running the territory long before Peking resumes sovereignty.

Chinese officials are reported to have told members of Hong Kong's appointed councils that such a working party would be intended only for consultation. However, concern about Peking's real intentions has grown since what was widely regarded in the colony as an unsatisfactory meeting in Peking recently between members of the executive and legislative councils and Deng Xiaoping, the Chinese leader.

A version of the proposal was published earlier this week in a usually well-informed newspaper in Hong Kong.

It seems increasingly likely that a draft agreement on the colony's future will be ready for signing by September before being debated by the House of Commons in the following three months.

Whitehall unshaken by criticism of Enterprise Oil sale

BY PETER RIDDELL, POLITICAL EDITOR

SENIOR MINISTERS intend to launch a major counter-attack against recent City of London and *parliamentary criticism of the* privatisation programme, which has intensified since the row over the flotation of Enterprise Oil.

The main theme will be that the Government's aim is to increase competition by establishing independent British-run entities, rather than merely to gain the maximum selling price.

Government determination to press ahead with this programme has been underlined by a letter this week from Mrs Margaret Thatcher, Prime Minister, to Mr Tim Eggar, the Conservative MP for Enfield North, and a co-author on a recent pamphlet on the subject.

Mrs Thatcher says "The programme will continue through the life of the Parliament with British Telecom, Sealink and Jaguar all to move before long to the private sector."

There was apparently complete agreement between the Treasury and the Department of Energy over the Government's rejection of the application for 49 per cent of Enterprise's equity by Rio Tinto-Zinc (RTZ), the international mining and industrial group.

Ministers argue that RTZ and aggrieved City underwriters failed to take account of the Government's *repeated statements about keeping* Enterprise as a separate concern for at least its early years after the recruitment of its new management team.

It is pointed out in Whitehall that, if the Government had wanted merely to maximise sale proceeds, the former North Sea oil assets of British Gas, which comprise Enterprise, could have been sold privately to one or two bidders, probably one of the major U.S. oil companies.

Ministers say the critics would then have been outraged by such a secret transfer of oil assets overseas and there might have been a parliamentary investigation.

Ministers are now stressing the importance of privatisation for encouraging competition and strong British companies, rather than the purely *financial aspects. This is* in contrast to the previous emphasis on the amount that could be raised by privatisation to hold down public sector borrowing.

The main political attack has come from Labour MPs although ministers have not been seriously troubled. Most Tory MPs have kept quiet, but a few MPs are privately critical about the handling of the Enterprise flotation.

There is little general sympathy, however, for the complaints of the underwriters since both ministers and Tory backbenchers argue that City institutions earn their fees by *taking losses as well as profits.*

Rejection of RTZ's offer to be urged

BY OUR POLITICAL AND FINANCIAL STAFF

ENTERPRISE OIL is working on a document to be sent to shareholders this weekend, advising them that Rio Tinto-Zinc's (RTZ) offer of up to 110p a share for an additional 15 per cent of Enterprise should be rejected.

The oil company is, however, continuing to explore the possibility of combining its North Sea assets with those of RTZ Oil and Gas.

It is also looking at a variant of this deal involving the three other companies which have acted in a number of oilfield consortia with RTZ-Hamilton Oil, Blackfriars Oil and TransEuropean.

Mr William Bell, Enterprise's chairman, is expected to meet Sir Alistair Frame, RTZ's chairman, when Sir Alistair returns from Australia tomorrow. Enterprise's strategy for fending off RTZ's advances still appeared to be in the melting pot yesterday.

The initial problem is to complete a convincing case to shareholders why they should reject an offer for shares which involves a 10 per cent premium on the current price.

Enterprise will probably argue that since RTZ's stake effectively blocks other bidders, its tender should carry a substantial bid premium.

Bot Enterprise's main hope of deflecting RTZ from a hostile to a friendly course of action lies in the proposals now being batched on various asset combinations, designed to provide Enterprise with tax-efficient exploration acreage to balance its heavy production portfolio.

RTZ Oil and Gas itself offers considerable potential in this regard, but Enterprise is also thought to be examining closely the position of Hamilton Oil, the company partly U.S.-owned and partly-owned by Volvo of Sweden. Hamilton has a wide range of North Sea assets.

HOW THE MINERS ON STRIKE HAVE BEEN MISLED...

2. ABOUT WHAT THE STRIKE CAN ACHIEVE.

The miners on strike are angry. And it's easy to understand why.

They are angry because of what they have been told by their leaders.

But have they been told the truth?

The sad thing is that the only result the strike can achieve is irreparable damage to the industry.

Can the strike stop pit closures?

No – for a very simple reason.

The future of coal depends upon how much it costs to mine. The cheaper it is, the more of it we can sell, and therefore the more of it we can mine.

The more expensive it is, the more it will pile up unsold, like the 55 million tonnes at the beginning of this year.

No matter how long the strike continues, it cannot change this basic fact.

We need to replace four million tonnes of our most expensive coal with economically-mined output.

This will bring the average cost down – and allow us to sell more coal from our better pits.

Doing this is exactly what was agreed in the 1974 Plan for Coal – to replace old, uneconomic capacity with new economic capacity.

The final Tri-partite Report on the Plan for Coal said in Paragraph 27, "inevitably some pits will have to close as their useful economic reserves of coal are depleted".

A mere 12 per cent of our capacity is now directly costing more than £275 million a year to support. This is money that should be going into modernising our other pits – as the Plan for Coal hoped it would.

That will safeguard miners' jobs, increase wages, and give Britain the coal industry it needs.

The strike cannot do that. The only thing it can achieve is the very opposite.

If it goes on long enough, the strike threatens up to 30 good pits with permanent closure.

This could not only cost miners, but also steel and railway workers jobs that should not be lost.

Can the strike win new business?

Everyone knows it can't. It is driving away future coal customers.

It is making coal more difficult to sell.

It is threatening the future of the industry.

Britain is the only country in Western Europe that is investing so heavily in the future of coal.

The British coal industry has excellent prospects.

But not if the strike continues.

This strike – not the Coal Board – could butcher the industry.

That's why it is so important that this strike ends soon.

It was called by the miners' leaders. It now needs to be called off by the miners themselves.

NCB

One in a series issued by the National Coal Board.

AUSTIN ROVER

AUSTIN ROVER. BUILDING THE CARS YOU ASKED FOR.

You've just got to catch up with the exciting new cars at your Austin Rover dealer, especially with 'B' registrations coming up fast.

So many sensational events have happened, with cars, care and quality all reaching the highest standards ever.

Austin Rover are building the right cars, tuned to the needs of drivers and passengers as never before.

That's because they are the cars you asked for. The right style, the right performance, the right quality. And in your Austin Rover showroom, they've got the right deal for you too. Now, or on 'B' registration.

Austin Metro's magical mix of fun, personality and unbeatable low running costs gains the bonus of the right deal. The Maestro's distinctive blend of stylish, sporty versatility wins the extra attraction of the right deal too.

Class is the theme of the cheeky new Limited Edition Austin Mini 25. Elegant luxury that turns on a sixpence and runs on pennies. Definitely the right car to celebrate Mini's 25 years of phenomenal success.

Right in the spotlight is the exciting new Austin Montego. For the many who have waited for a car that combines sheer class with absolute driveability, the waiting is over. Montego is available now, to be looked at, to be driven.

Whichever model you choose, you'll get the right care from Britain's largest dealer network backed up by Supercare, the only complete customer care plan. Just one of the reasons Austin Rover cars hold their value so well at trade-in time.

As you can see, there's far more to getting the right deal than just the right price. At your Austin Rover dealer you'll get the right cars and the right care. Plus, of course, the right deal.

The right deal

FROM AUSTIN ROVER

UK NEWS

VW expects small loss of UK sales as result of strike

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

VOLKSWAGEN-AUDI expects to lose no more than 4,000 retail sales in Britain because of the strike which stopped the company's car production in West Germany for five weeks.

This represents only 3.6 per cent of the 110,000 cars the VW import company expected to sell in the UK in 1984.

VW estimates that production of 160,000 cars worth DM 2.8bn (£750m) was lost because of the dispute. But it hopes volunteers will work through the summer holiday to produce about 50,000 extra cars – giving priority to right-hand-drive models for Britain.

Mr Michael Heelas, managing director of VAG(UK), the VW-Audi import company owned by Lonrho, said yesterday that, although there would not be much of a shortfall in volume, the "mix" of cars would probably not match demand as accurately as usual. Some customers would not be prepared to wait for the car of their choice.

His company was partly responsible he said, in that it had underestimated the demand for the new Golf model with automatic transmission and power steering. VAG(UK) expected that 5 per cent of Golfs would be sold in that form but demand was nearly double.

Mr Heelas said he was concerned about the potential impact of the settlement on VW's costs in West Germany. He had made it clear to the German company that it should not expect to be able to pass on all the extra cost (a reduction in the working week from 40 hours to 38½ hours). Conditions in the car market were too competitive and VW no longer had the long lead in car technology it had four or five years ago. "Our competitors have closed the gap," he said.

Mr Heelas said that if the dispute had continued much longer about 20 VW-Audi dealers in Britain would have gone out of business. The price war, which started again in earnest in the second quarter of 1984, had pushed most of the 380 VW dealers back to breakeven level. They would have been in severe difficulty if there had beeo no cars available for the August boom, during which over 20 per cent of annual car sales are made in the UK.

Mr Heelas joined the growing list of motor industry executives calling for changes to the system of car registration which produces the August sales bulge.

He denied that the system favoured importers at the expense of UK-based car makers. Importers had long supply pipelines which they had to start filling as early as May to prepare for August – at considerable extra cost for stock financing.

Mr Heelas said be would prefer the prefix numberplate letter (which changes annually in August) to be dropped and for each driver to have a persooal number plate. This would produce a "regular, sensible level of trade throughout the year." It would not cut total annual sales to any significant extent.

VAG(UK) forecasts that total car sales in Britain in July will be at about the 1983 level of 50,000. It expects that August sales will drop slightly from last year's record 374,599 to about 340,000, but that September registrations will rise from 118,475 to 123,000.

Airlines will help passengers left stranded by Air Florida

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

AIRLINES flying betweeo the UK and Florida yesterday said they would help the several hundred passengers stranded by the decision of Air Florida on Tuesday to file for bankruptcy protection from its creditors under Chapter 11 of the U.S. bankruptcy laws.

The immediate effect of the filing was to suspend all Air Florida flights, including those to and from the UK. The next flight into Gatwick, London, was due today.

There was considerable confusion yesterday with no one able or willing to state precisely the immediate situation at Air Florida.

The airline's official statement, issued in Miami late on Tuesday said that it was hoped to resume flights to the UK as soon as possible. No firm date was given.

Air Florida's DC-10 and other aircraft were reported to be locked in a compound at Miami airport. The airline's last flight out of Gatwick was on Tuesday.

The other airlines flying between London and Florida (British Airways and Pan American from Heathrow and Arrow Air from Gatwick) said they were willing to belp stranded passengers.

British Airways said that any Air Florida passeoger could fly back with BA oo a standby basis. Pan American, which carries some Air Florida passengers on "interline" – connecting flight – tickets, said it would honour them. It would also consider on a standby basis passengers who held direct Air Florida tickets.

Arrow Air, which flies to Florida from Gatwick, said it was considering sympathetically any applicatioo from Air Florida passengers.

The problem facing Air Florida passengers is that space on other transatlantic flights is scarce because of the inflow of U.S. tourists to the UK this summer. Passeogers may have to wait some days before getting a flight.

Air Florida is the third major U.S. airline to file under Chapter 11 in recent years, the others being Braniff and Contioeotal. Those two are flying again hut on a much scaled-down basis.

Air Florida flew six times a week between Miami and Gatwick but may cut that frequency if it returns to the route.

Arthur Sandles writes: Britain's major tour operators and travel ageots were last night assuring customers who had booked through them for Air Florida flights from the UK to the U.S. that they would oot suffer financially as a result of the airline's, troubles.

As many as two dozeo UK operators used the airline. Two of the biggest, Thomas Cook and American Express, said that arrangements would be made for customers in the U.S. to return to the UK and for those who had booked holidays in the future to have their trips at no additional cost

Nooe of the ageocies knew the exteot of the commitment it was making. Each will have to huy tickets on other airlines at whatever price might he negotiated. It seems likely that U.S. and UK aviatioo authorities will turn a hlind eye to any rule-bending which might be involved in switching customers from an Air Florida scheduled flight to, for example, a British Airtours advance booking charter trip.

Daimler-Benz launches new trucks in UK

BY OUR MOTOR INDUSTRY CORRESPONDENT

DAIMLER-BENZ expects to raise its share of the UK market for 7.5 tonne trucks from 7.5 per cent to 10 per cent after the launch today of two versions from its new Mercedes medium truck range.

The company spent more than DM 280m (£74m) on the new range, which was launched in West Germany in March and replaces the Mercedes LP trucks. The British subsidiary is to sell two of the seven versions in the new range, one at 7.5 tonnes gross weight and one at 11 tonnes.

Most important is the 7.5-tonner, called the Mercedes 809, which competes in a sector that last year accounted for 11,470 registrations – roughly a third of the British truck market – and is dominated by UK-based producers.

Mr Hans Tauscher, managing director of Mercedes-Benz (UK), says the sector is likely to go on increasing in size. He predicts that sales will reach about 13,000 this year and that within four or five years his company will achieve a 10 per cent share.

Daimler-Benz has been able to launch the new light trucks in Britain ahead of the key product in Leyland Trucks' recovery programme – code-named MT211.

Mr Ron Hancock, chairman of Leyland Vehicles, said the MT211 was "as important to Leyland as the Metro (car) was to Austin Rover's survival."

MT211, to be launched towards the end of this year, will replace the 13-year-old Terrier, which in 1983 accounted for 12.1 per cent of total 7.5-tonner sales, after Ford's Cargo 809 with 47 per cent and the General Motors Bedford TL750 with 18.4 per ceot.

The other UK-based manufacturer, Renault Truck Industries (the former Karrier company) had a 7.5 per cent share with the S75 model from its 50-series range.

Last year Daimler-Benz produced 20,000 LP trucks at its Wörth plant in West Germany, about 20 per cent of its total output. It expects the new medium range – aimed mainly at industrialised markets in Western Europe – to reach an annual output of 25,000.

The UK subsidiary might introduce one other version, a 13-tonner, io the next year or so.

Underwriters expected to accept £38m offer

BY JOHN MOORE, CITY CORRESPONDENT

MORE than 500 members of the Lloyd's insurance market who have received an offer of £38.17m to compensate them for money which has allegedly been misappropriated from their funds have indicated that they are likely to accept the offer.

The offer is being made by Minet Holdings and Alexander & Alexander Services after the discovery that more than £38m of funds of more than 1,000 underwriting members of insurance syndicates under the management of Minet's interests had disappeared.

Minet has alleged with its underwriting interests, that funds belonging to the underwriting members have been channelled out of members's funds to benefit secretly former underwriting executives.

Minet has traced £25m of the funds to Gibraltar and has found that the diverted money was routed through companies which form part of the Alexander Howden group, now part of Alexander & Alexander Services.

Minet and Alexander & Alexander Services offered to return the money providing that underwriting members waived their rights to further recovery of funds and did not sue the two groups. They also offered to provide funds of £13.14m, in addition to the £25m found in Gibraltar, as compensation for the balance of the missing mooey.

Members of the syndicates have been given until July 19 to accept. The Association of Lloyd's Members, representing more than 2,000 members of Lloyd's, through a steering committee has been attempting to gain an extension of the deadline to consider the offer.

Underwriting members have been hit by insurance claims in the course of trading at Lloyd's and individuals face losses of up to £250,000. They are seeking the money to help meet the underwriting losses.

Among the members who have indicated their acceptance of the offer is the chairman of Lloyd's, Mr Peter Miller, who has a place on the stricken syndicates.

Lear Fan jobs to go

BY OUR BELFAST CORRESPONDENT

LEAR FAN, the company struggling to put a carbon fibre aircraft into production in Northern Ireland, is to make most of its 350 workers redundant next month instead of laying them off as announced earlier.

The company and unions failed to agree on the terms for a lay-off of 320 employees due to begin this week. As a result, the employees will be made redundant on August 17.

In the meantime, the labour force will remain on a two-day week. The decision to close two Ulster factories temporarily was taken last month because of a serious delay in winning an airworthiness certificate from the U.S. authorities.

Lear Fan plans to reopen the plant by the end of the year if it is still on schedule for certification by February 15.

Management would have preferred to lay off workers so that resumption of work would be achieved smoothly.

The British Government has committed more than £50m to the attempt to produce the aircraft in Northern Ireland, in return for a hoped-for 2,000 jobs.

JOBS COLUMN

Doubt cast on future worth of past success

BY MICHAEL DIXON

IT HAS taken me a month to pluck up courage to quote the claim that follows. I'm nervous of the reaction it provoked when made by Colin Leicester of the Henley management school at the Recruitment Society's recent conference in Bristol. The ensuing silence was seething with bitten-back yells of "Nonsense!"

The claim is that candidates' "track records" which are now given decisive importance in selecting for top managerial jobs, are going to become less and less relevant as a recruitment criterion in future.

"How could we possibly pick the right person to be a senior executive if we didn't go on past performance?" demanded the selection consultant who eventually broke the incredulous quiet.

"That's a question you'll have to find the answer to." Dr Leicester. All he could do as an experienced analyst of employment trends was examine what was happening and report on what he found.

His thesis, based on the manpower strategies of businesses confident of continuing expansion, is that the new top jobs created in the years ahead will tend to differ radically from most prevailing now. Senior posts will change back towards the conditions of foreign-based managers of the East India Company 200 years ago. They couldn't chicken out of a hard decision by referring it to headquarters in the UK, because it would be more than 18 months before they could get an answer.

Even though communication networks will get still quicker, Dr Leicester thinks managers responsible for making profits will have to be more capable of leading their operation entirely on their own initiative. They will be expected to succeed with far less support from the sort of systems and procedures which bosses of organisations have become so used to depending on that they are often no longer aware of it.

For instance, top people in businesses geared to high technology will not be able to meet their needs of skilled staff by relying on buying them in, pretty well ready to function, from other organisations or the higher reaches of the education service. There is already a world-wide shortage of such skills which education systems will simply be incapable of rectifying in the foreseeable future.

So instead of activating the personnel system to import key specialists from the outside world, executives will more and more need to develop their own. The fact that Japanese and West German businesses already do so may well be a factor in their greater success.

As a result of such changes, Colin Leicester maintained that the abilities needed to succeed in senior jobs in the future would grow more and more removed from—and therefore less and less predictable by—the abilities required by jobs at the same level now. Past managerial records would indeed lose relevance for at least a prolonged period of adjustment to the radically different organisational conditions.

That argument cannot be refuted by demanding to know what other criterion could be relied on for selection, as the consultant did at the conference There's no sense in going on knocking your head against a brick wall simply because nobody can tell you what to do with your head instead.

If things change in the way predicted, it will be as pointless to keep selecting primarily on past record as it would be to cling to our present way of life of the sun failed to rise tomorrow morning. If no alternative objective criterion was available, it would be better to choose by hunch.

The important question is whether such a radical change will come about. And on that point, ambitious readers with good records behind them will not be cheered by the news that a previous Recruitment Society conference in 1977 gave an equally incredulous reception to Dr Leicester's forecast of more than 2m unemployed in Britain in the early 80s.

On the other hand, if he's right in what he said about records, the fact that he forecast correctly in the past is no reason for thinking he can do so now.

But then again, if he's right about the irrelevance of previous achievements, he's right about the irrelevance of previous achievements.

Worrying, isn't it?

Finance/pay

A FINANCE director for the international mining division of a £100m-turnover British group is sought by David Thompson of the Odgers consultancy. As he may not name his clients he—like the other headhunters to be mentioned later—promises that any applicant who so asks will not be identified to the employer concerned without further notice.

Responsible to the chief executive of the division for all aspects of its financial management, the recruit will work from the north Midlands and travel abroad a good deal. There will be a small head office team in support, and frequent contacts with the financial chiefs of the numerous subsidiaries in the UK and overseas.

Candidates should be qualified accountants with experience at senior level in an international business. Commercial awareness and skill in the analysis of long-range projects, preferably including acquisitions abroad and at home, are wanted.

Salary indicator £25,000-£30,000.

Mr Thompson also seeks someone to take responsibility for all aspects of pay, other benefits and conditions of service of the 450 expatriate and 1,000 foreign senior staff overseas of a London-based financial services group. It has branches in Africa, America and the Far East as well as Europe.

The new manager of overseas remuneration will report to the senior personnel controller and have about 30 supporting staff.

Candidates should have experience of managing a department as well as of salary administration covering numerous countries with a multinational group.

An essential qualification is knowledge of the workings and administration of the full range of reward systems for expatriate staff. Candidates who have gained experience of pay management in a variety of organisations, perhaps in the role of a consultant, will have an advantage.

Salary indicator £20,000.

Inquiries to David Thompson at 1 Old Bond Street, London W1X 3TD; telephone 0-499 8811, telex 8954989.

Saudi

RECRUITER Bryan Firth (1 Garrick House, Carrington Street, London W1Y 7LF; tel 01-499 0321 or 627 3215) seeks an evidently rare breed of person experienced not only in credit control but also in collecting payment and the associated legal work. The new credit-cycle manager will be based in Riyadh with Saudi Arabian bank of which 47 per cent is owned by a US finance house.

Tax-free salary of about US$60,000 plus $34,000 housing allowance and usual expatriate perks.

Cardiff

ACCOUNTANTS with experience in planning are sought by Adrian Wheale of the new Bristol office of the Michoel Page Partnership for a corporate planning manager's job and several other posts in project work for a Cardiff bank.

Salaries will range up to about £18,000, with cars among the other benefits.

Inquiries to 1, St Augustine's Place, Bristol BS1 4XP; telephone 0272 276509.

Director

Commercial & Industrial Development

UNIVERSITY OF LANCASTER

The University is establishing a Commercial & Industrial Development Bureau and is seeking to appoint a Director who will be concerned with enhancing tha University's relations with industry and commerce.

Major areas of activity will include the stimulation of research collaboration and consultancy with industrial and commercial enterprises and the exploitation of in-house expertise, products and services. The Director will also be responsible for relationships with a Business/Science Park shortly to be established on the campus.

The Director will report to the Vice-Chancellor and must be able to work closely with University Departments and Centres, the Management School and existing University Companies. Candidates should have auccessful industrial and commercial experience. Entrepreneurial and marketing skills will be necessary.

Salary to be negotiated will be within the professorial range. Persons interested should write to the Establishment Office, University House, Bailrigg, Lancaster, LA1 4YW (quoting ref L092) for further particulars. Applications should be sent not later than 20th July 1984.

HEAD OF MARKETING

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The company is a major force in the supply of computar-based information and other services to the financial community. It is a subsidiary of a well-known quoted City Group with a number of subsidiaries active in the information, communications and technology fields. The company is expanding its international operations in Europe, North America and the Far East. Growth has been rapid and profits have more than doubled over the past two years. £1.25 million was recently invested in additional computer facilities.

You will be creating a new job. Your initial task will be to carry out a rigorous evaluation of the financial services market (especially the securities industry); to devise appropriate short, medium and long-term product and marketing strategies for existing products in a rapidly changing and increasingly competitive environment; and to propose and help specify new products and assist in their implementation and launch.

You must have a track record of demonstrable success in marketing, particularly product management. You must also know the City well. A good degree is essential. Successful selling experience would be an advantage. Age probably around 30 although we shall be flexible about this. A salary of up to c.£25,000 is offered with a car and the usual big company benefits.

Your name will not be released until we have briefed you and you have given your consent. Please write to me, Terence Hart Dyke, Consultant to the company.

Business Development Consultants (International) Ltd
63 Mansell Street London E1 8AN

BDC

Treasury Manager

London W1 — c.£17,500 plus car.

We are acting for a well established financial institution which is currently implementing substantial and impressive plans for sustained growth. To assist them they require a professional manager to take responsibility for treasury operations including the direction and control of a small but active banking department.

To fit their requirements you will be in your late twenties/middle thirties and AIB or equivalently qualified. You will have gained in-depth experience with a major UK or US retail bank before specialising in treasury. City contacts must be extensive and the ability to communicate effectively at senior levels equally essential. The position will be part of the company's main management committee, thus the drive, initiative and ability to help direct the company's growth are prerequisite.

In addition to salary the company offers a range of benefits including car, bonus, loan facilities and health and life cover.

Please write in the first instance in strict confidence to Christopher S. Bainton, Peat Marwick Mitchell & Co., Executive Selection Division, 165 Queen Victoria Street, Blackfriars, London EC4V 3PD, stating how you meet the requirements of this position and quoting reference L 5002.

PEAT MARWICK

Corporate Financial Services

BNZ

International Banking

London & New Zealand — Salary indicator £20–£30,000

The Bank of New Zealand is the largest bank in New Zealand with a substantial customer base and a strong international network of branches. A major area of expansion is in merchant banking services and the bank is actively seeking to recruit a *small number of high calibre executives in this field for its offices in London and Wellington, New Zealand as follows:–*

Senior Executives

There is a requirement for individuals with a background of experience in the capital markets, corporate and project financing, and of handling merger and acquisition assignments. While applicants may currently be specialising in one of these particular fields a good working knowledge of the other disciplines is sought. The requirement is for a proven track record of relevant experience and preferably a professional qualification.

Middle Management Executives

The bank also wishes to appoint executives at middle management level. Experience sought is in the fields outlined above, but perhaps not as extensive and applicants will be aged around 30 years or less. Responsibilities will include corporate relationship management, product development and marketing.

There are openings at both levels in London and New Zealand and a first class international career development path is available. There is an excellent benefits package available including relocation assistance if appropriate.

Those interested should write to **Nick Waterworth** at the Banking and Finance Division, 23 Southampton Place, London WC1A 2BP, quoting ref. 3397, or telephone him on 01-404 5751.

MP
Michael Page Partnership
International Recruitment Consultants
London New York Bristol
Birmingham Manchester Leeds Glasgow

Appointments Wanted

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At age 57, and still very energetic, I now look for an appointment, full or part-time, in a similar or other company where my knowledge of refining, high level security operations, metal accountability, combined with my senior management experience, could be utilised. My connections in S. Africa may also be useful. Alternatively, I would be interested in partnership in a small company/business not necessarily related to process industry, in which my skills could be used.

Write to Box A8668
Financial Times
10 Cannon Street, EC4P 4BY

MEPC

Company Secretary

MEPC is a large and progressive property company with major interests in property investment and development in the UK and overseas. Our total assets exceed £1¼ billion, and we employ more than 500 people in the UK.

The Company Secretary reports to the Managing Director and carries responsibility for the statutory duties of the Company and some 100 UK subsidiaries. You will also be responsible for personnel, including the management of pension schemes, share schemes, property and general insurance and company administration and be supported by a small staff.

The requirement is for secretarial and administration experience in a quoted company, backed by a legal or secretarial qualification. Remuneration is for discussion and is unlikely to be a limiting factor.

Write in confidence to: A.L. Crowe, MEPC plc, Brook House, 113 Park Lane, London W1Y 4AY.

Full Management and Marketing Responsibility

– Trade Finance –

Salary £25,000 + benefits

Our client, a major European Bank is seeking an experienced Trade Finance Banker to establish and manage a trade team at its London branch.

Reporting directly to senior management, the successful applicant will have full management and marketing responsibility for the Bank's trade business in London within an agreed broad, strategic direction.

The individual will currently be employed in a senior capacity at deputy or manager level within a comparable bank environment. Extensive experience of Trade Finance, a good general banking knowledge and a strong credit ability are emphasised as critical requirements. A working knowledge of a major European language would be a distinct advantage.

Applicants with an outgoing personality and suitable communicative/management skills, will be offered an attractive salary and benefits package.

Those interested should contact **Chris Smith** B.A. (Oxon) on 01-404 5751 or alternatively write enclosing a *comprehensive curriculum vitae, quoting ref. 3401, to Michael Page Partnership, Banking and Finance Division,* 23 Southampton Place, London WC1A 2BP. All applications will be handled in the strictest confidence.

MP
Michael Page Partnership
International Recruitment Consultants
London New York Bristol
Birmingham Manchester Leeds Glasgow

IS YOUR MARKETING EXPERTISE INVESTED WISELY?

Vacancies in banking circa £20,000 + benefits.

Outstanding opportunities exist for career minded marketing professionals with one of the largest British banking and financial services groups, which is reorganising to extend and deepen its range of services. Based in the City, five management vacancies exist split between the group head office with an emphasis on policy development and co-ordination, and a major banking subsidiary with the emphasis on operations and implementation.

The areas of responsibility are:

Advertising (2 positions; 1 group, 1 subsidiary). A multi-million pound budget, incorporating all aspects of above and below the line advertising.

Product Development and Management (2 positions; 1 group, 1 subsidiary). Key responsibilities include the evaluation, development, enhancement, and implementation of a wide range of products and services for both the personal and corporate markets.

Market Planning (1 position; subsidiary). Responsible for market research, positioning, pricing and general market planning.

We are looking for lively minded and ambitious people, probably in the 30-40 age range. They should have experience relevant to the vacancies, preferably gained in a financial environment.

Salary will be negotiable, depending upon experience, in the region of £20,000. The benefits package includes: a 2 litre company car, house purchase subsidy, non-contributory pension and free BUPA membership.

GH&P

Write in confidence, enclosing a full C.V. to:
Recruitment Services Dept. MFT, George Hynes and Partners,
82 Farringdon Street, London EC4A 4BN.

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For more information call IRENE NOEL 01-248 5208 or TELEX 885033

CORPORATE PLANNING MANAGER

Package £20,000 + incl. Car

Chartered Trust plc., one of the country's leading finance houses, is a wholly owned subsidiary of Standard Chartered Bank PLC. Britain's largest independent international bank with assets exceeding £28 billion.

We wish to appoint a Manager for our corporate planning function based at our Head Office in Cardiff.

Responsibilities will include the production of strategic and financial plans and the undertaking of projects and invesrigarions into, for example, new product appraisals and acquisitions. There will also be a substantial involvement in the on-going development of management information and financial appraisal computerised systems.

This challenging opportunity offers excellent career prospects and should appeal to dynamic, highly motivated graduate Chartered Accountants with a minimum of 5 years' post qualification experience, which should include some responsibility for corporate planning. Maturity and good communication skills, both written and spoken, are essential.

A competitive benefits package, which will reflect the experience and potential of the successful candidate, will be offered and will include a subsidised mortgage and a prestige company car. Generous assistance will be offered, where appropriate, to help in relocating to the Cardiff area which offers an excellent choice of coastal, rural and city locations. Please telephone or write, giving brief career details, to

Mr. J. A. Roberts, Group Personnel Manager, Chartered Trust plc.,
24/26 Newport Road, Cardiff, CF2 1SR. Tel. Cardiff 484484, extension 2125.

Chartered Trust
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Jonathan Wren
BANKING APPOINTMENTS

Treasury/Money Market Manager

£30,000 +

This is a challenging opportunity for an already successful Treasury Manager to set up and manage the treasury and money market operations of a financial institution new to the London markets. Initial emphasis will be on trading in futures, swaps, bonds etc., and the prime task will be to fund the asset book. A proven record of consistent profitable trading is more important than any age consideration.

Senior Lending Officer

c£30,000

An outstanding opportunity to join a bank of very considerable international standing in a senior role, with the added ingredient of potential to attain senior management status.

The role of the successful applicant will be heavily biased to the business development function both in the United Kingdom and Continental Europe, involving a heavy travel load. A good knowledge of another European language is essential.

Candidates will be fulfilling a similar role in a well-known international bank, preferably U.S., marketing a full range of banking services.

Accountant/Operations Manager

c£30,000

A newly established investment banking subsidiary of an international bank wishes to appoint a qualified accountant with strong in-house banking experience gained in a merchant or investment bank over a number of years.

The task of the successful candidate will be to establish accounting and operational systems and to manage the subsequent anticipated expansion which will require good managerial skills and an enquiring mind.

For further details of the above appointments, please contact Richard Meredith on 01-623 1266 or in writing, enclosing an up-to-date C.V. to Jonathan Wren & Company Ltd., 170 Bishopsgate, London EC2M 4LX.

INTERNATIONAL BANKING

CORPORATE FINANCE — **Neg. £20,000+**

We have a pressing demand from one of the more "aggressive" merchant banks for a young Graduate/qualified A.C.A. who has acquired sound Corporate Finance experience — mergers/acquisitions, issues, placements, etc — and now seeks increased personal responsibility.

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Possibilities occur with several major international banks for bankers with a demonstrable record of successful U.K. corporate marketing. Specialist exposure (eg Trade Finance, Property, Leasing) especially sought after.

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The fondamental requirement is thorough, even if relatively brief, credit training and experience; career progress could well be in a marketing direction for those with appropriate aptitude and interest.

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2 or 3 opportunities arise for young qualified A.C.A./A.C.C.A.'s to move into international banking, either on the financial or the lending side. Some previous exposure to banking, direct or indirect, would certainly be helpful.

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5, Castle Court, London, E.C.3, 01-623 3861

HOARE GOVETT LIMITED

Fixed Interest Department

Hoare Govett Limited wish to recruit an experienced person to join their Fixed Interest Department.

The Department is in regular contact with both Institutional Fund Managers and potential Borrowers. It provides an up to the minute commentary on Sterling Bond markets working closely with Hoare Govett's Gilt, Eurobond, and Financial Futures Departments.

Experience of Fixed Interest markets is essential, as is the imagination to generate new ideas and the ability to express them well.

The remuneration is negotiable and will reflect the importance of the position. Career prospects are excellent.

Applications, which will be treated in strict confidence, should be sent to:

The Company Secretary,
Hoare Govett Limited,
Heron House, 319/325 High Holborn, London WC1V 7PB.

Corporate Finance Executive

Manchester

Rothschild's busy end expanding Northern Division is seeking en additional Corporate Finence Executive to assist with the increesing volume of ectivity.

Applicants should have gained at least 2 years' relevant experience in a merchant bank or stockbroker advising public and private companies, and should be graduates.

Remuneration will be fully competitive and the company provides excellent employment benefits, including profit-sharing.

Please send a full curriculum vitae, to:
Alan Deen, Director, NM Rothschild & Sons Limited,
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NM Rothschild & Sons Limited

FUND MANAGER

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c. £20,000 + car + benefits

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Responsibility will be for managing and optimising the market performance of substantial UK equity portfolios of several major segregated funds. The successful candidate will be given considerable personal dealing authority and be assigned a specific market sector.

Candidates, aged 30–45, should have at least 3 years' fund management experience in a successful UK equities operation. Good communication skills are essential and a professional qualification would be desirable – probably the Society of Investment Analysts.

A comprehensive benefits package includes non-contributory pension, free health insurance and subsidised mortgage.

Please write with full details to Box A8669, Financial Times, 10 Cannon Street, London, EC4P 4BY

Th s appointment is open to men and women.

STRATEGIC TREASURY MANAGEMENT

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Our client is the Head Office treasury function of one of the world's largest banking groups. Its treasury division provides global asset end liability management for the entire group from e specialist 'secretariet' which reports directly to the executive board. These positions form part of one of the most exciting developments in treasury and treasury management at the present time.

TREASURY PRODUCT DEVELOPMENT

The role: to provide vital technical support to an ambitious extension of the group'e product range within treasury; through advanced analytical and methematical techniques, build e coherent framework in order to assess new product ideas; control their development; and in particular, provide more exact guidance on pricing and risk management.

The cendidate: probably en exceptionelly numerate graduate, possibly with the wider vision of an MBA. Ideally he/she should have proven technical knowledge of treasury markets allied to a lively creative flair and good commercial sense. A likely background might be e large US investment bank, or within e department providing 'consultancy' resources to the marketing area of e major international bank, for new products; or within investment management, working with advanced portfolio management techniques.

STRATEGIC PLANNING

The role: the development and implementation of a sophisticated strategic planning process for the treasury area across the group's worldwide network. The position particularly involves establishing and interpreting information flows in relation to the group's own and competitors' business; providing a more positive reaction to the economic end business environment; making e major contribution to broadening the intellectual reach of strategic planning within the group.

The candidate: ideally e graduate with at least five years' experience within intemetional banking or finance, or possibly in e similar role in e large multinational company. Candidates should have a strong conceptual understanding of money and financial markets end familiarity with financial modelling in a sophisticeted planning or finance function.

GROUP ASSET/ LIABILITY MANAGEMENT

The role: to provide essential analytical and management information support to the senior committee managing the group's balance sheet. This position has e vital creative input in defining the key strategic issues within the committee's brief, and developing new approaches to the analysis and presentation of the group balance sheet. Particular ettention will be focused on interest and exchange rate influences and the strategic management of these risks on a global basis.

The candidate: highly qualified (possibly MBA or equivalent) with e detailed understanding of the financial structures of e treasury operation and its sensitivity to interest and exchange rate influences; probably working in the treasury or strategic planning functions of e top US bank, or as e financial/banking sector analyst in a major investment house.

These positions carry e high basic salary, which is negotiable for exceptional candidates; an excellent banking benefits package including car; the opportunity to influence management at the highest level of e major worldwide organisation; and major career options within e rapidly developing environment in the UK, overseas and other parts of the group.

Interested candidetes should contact Kevin Byrne BA on 588 6644 (8.30 am to 7.00 pm today) or submit e detailed curriculum vitae to the address below.

Anderson, Squires, Bank Recruitment Specialists
Blomfield House, 85 London Wall, London EC2

01-588 6644

Anderson, Squires

ELECTRICITY SUPPLY PENSION SCHEME

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You will lead the Scheme'e investment analytical team covering UK stocks and shares and following economic and stock market trends in the UK and, to e lesser extent, overseas. You will be responsible for overseeing the work of investment analysts/dealers and ensuring that standards are maintained at the highest level.

You will be expected to make e significant contribution to investment policy deliberations and to be able to draft reports on a range of investment and related topics.

You should have e sound knowledge of economic and investment principles and will already have wide practical experience within the securities industry. You should also have experience in staff supervision.

An appropriate qualification is desirable.

Please write, in confidence, giving details of career to date and present salary, quoting ref 60/FT to:

David Webb, Recruitment Officer,
The Electricity Council,
30 Millbank, London SW1P 4RD.

ELECTRICITY COUNCIL

CORPORATE FINANCE

£15'000 — £30,000 + Benefits

Because of the high level of demand for their corporate advisory services, a number of our financial institution clients are seeking executives and managers to expand and strengthen their existing teams.

We are handling a number of interesting opportunities at differing levels of seniority and we invite applications from ambitious professionals who are likely to have the following backgrounds:—

(1) Experienced Corporate Finance Managers and Executives with banking, stockbroking or industrial experience.

(2) Graduate Chartered Accountants in their mid to late 20s with post-qualification experience in consultancy, investigations or business services.

(3) Recently qualified lawyers/MBAs with experience of corporate advisory matters.

To arrange an informal and confidential discussion, please contact Robert Digby, B.A., quoting Ref 6342. No approach will be made to our clients without prior consultation.

Badenoch & Clark
Recruitment Consultants
16-18 New Bridge Street, London EC4V 6AU
Tel: 01-353 1867

Portman Building Society

General Manager Designate

Bournemouth: c. £30,000 + Car

The Portman Building Society has been established for over 100 years and has assets in excess of £350m. There ere 45 branches with e head office in London and administration centre on the South Coast. The present General Manager will retire in August 1985.

The General Manager is responsible to the Board and has executive responsibility for, and the general supervision of, the whole of the Society's activities.

Applicants aged 40 to 50, should be professionally or academically qualified and have wide business and managerial experience at senior executive level. A background in the building society movement or the financial sector would be advantageous.

The excellent benefits package includes car, preferential mortgage facilities and assistance with relocation expenses, where appropriate.

Please write – in confidence – with full details to Ken Orrell ref. B.19357.

This appointment is open to men and women.

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MANAGEMENT SELECTION

Marketing Executive

Unit Trusts

As one of the largest UK unit trust management companies, Britannia Group of Unit Trusts Limited has a very broad range of investment funds and services. Having developed a substantial marketing division through advertising, direct mail, investment services and seminars, we are seeking an experienced person to lead an enthusiastic team in the Private Investor Advisory Department to provide a wide range of marketing and client services and further develop direct marketing to new and existing clients.

Ideally, applicants will have a good educational background and a highly innovative approach, together with effective management skills and the ability to communicate at all levels. They are likely to already hold a managerial position with a major unit trust company or life assurance company or have gained similar experience with a stockbroker or other financial services company and have a proven track record in the marketing of financial products. Those in the age range 30 to 40 are likely to have the breadth of experience required.

The position will provide excellent scope for advancement within the Marketing Division and offers a competitive salary plus substantial benefits.

Please write enclosing CV to:–
Richard Bagge, Director,
Britannia Group of
Unit Trusts Ltd,
Salisbury House,
29 Finsbury Circus,
London EC2M 5QL.

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As one of the top three securities dealers specialising in the OTC market, we are now recruiting additional Account Executives for our next expansion phase involving a move to larger premises.

Applications are invited from experienced Representative Licence holders and from those with a general financial background willing to undertake training in situ. Minimum remuneration package — £18,000 plus.

Ring Miss A. Woods, 01-242 0220

GROUP TAXATION MANAGER-DESIGNATE

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CITY OF LONDON — LATE 30s-MID 40s
SALARY c. £25,000 + GENEROUS BENEFITS

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— A qualified Accountant or ex-Revenue Inspector with Insurance experience;
— An efficient manager of taxation staff;
— A creative thinker, capable of expanding the tax planning role;
— An accomplished communicator, able to deal with fellow professionals and company personnel at all levels.

25% of profits are derived from overseas operations, hence experience of foreign taxation (particularly U.S. tax) is important.

This post presents an excellent opportunity for an ambitious tax specialist to develop an important area of Group Finance.

The remuneration package, which includes a company car, non-contributory pension, low rate mortgage, profit share and a range of other benefits, reflects the importance of this appointment. Assistance with relocation is available.

Interested candidates should write to Don Leslie at GDC (London) Ltd, 29 Thurloe Street, London, SW7 2LQ, or telephone him on *01-581 0895 (day)/01-832 6229* (evenings and weekends) quoting ref. A/500. All replies will be treated in strictest confidence.

Gabriel Duffy Consultancy
Accountancy & Taxation Appointments

U.S. Treasury Bond Broker

AN INTERNATIONAL SECURITIES HOUSE REQUIRES A U.S. T-BOND BROKER FOR THEIR CITY OFFICE

Ideally the applicant should have some experience in U.S. Securities.

Alternatively, experienced brokers in either Foreign Exchange or Eurobonds willing to be trained would be considered.

Salary will be negotiable with the usual fringe benefits. Applicants should apply to the Box Number below enclosing their Curriculum Vitae.

BOX A8671, FINANCIAL TIMES,
10 CANNON STREET, LONDON, EC4P 4BY

BANKING PROJECTS – c18K

An experienced project manager is required by a small expanding software house. The ability to deliver services on time on budget to major Banks is the main skill required.

Remuneration is to 18K to include car, non contributory portable pension and profit sharing. Location is North West London.

Reply to Box A8665, Financial Times
10 Cannon Street, London EC4P 4BY

Group Pensions Manager

London to £30,000 + car

This highly successful major British organisation's pension scheme has an investment fund totalling some £260 million, including a separate property portfolio, with around 16,800 contributory members and 8,800 pensioners.

Part of the central management team and controlling a 20-strong specialist staff, the Group Pensions Manager will be responsible to the Company Secretary for advising on future pensions policy. You will administer existing policies, be responsible for the funds' accounts and for publishing reports to members, and will monitor the performance of external, professional investment advisers.

Probably aged 35-45, you must be a qualified and experienced pensions expert, totally familiar with current options and capable of debating your recommendations at the highest level. An extremely competent manager and administrator, you are responsible for a substantial fund or are currently the No 2 in an organisation of a similar size.

Ensuring communications company-wide are handled impeccably is a particular strength of yours.

Salary to the level indicated with appropriate executive benefits provided for the man or woman appointed.

Please send full cv which will be forwarded to our client unopened quoting Ref: R2969/FT. (Address to our Security Manager if listing companies to which it should not be sent.)

PA Advertising

Hyde Park House, 60a Knightsbridge, London SWIX 7LE.
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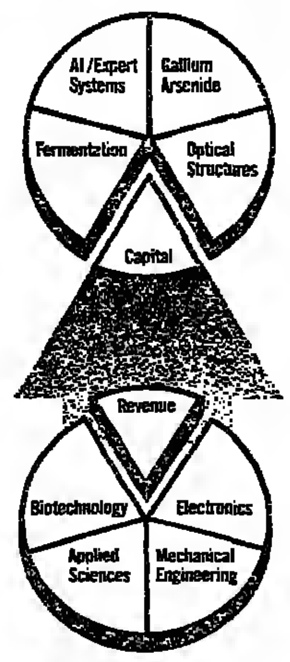

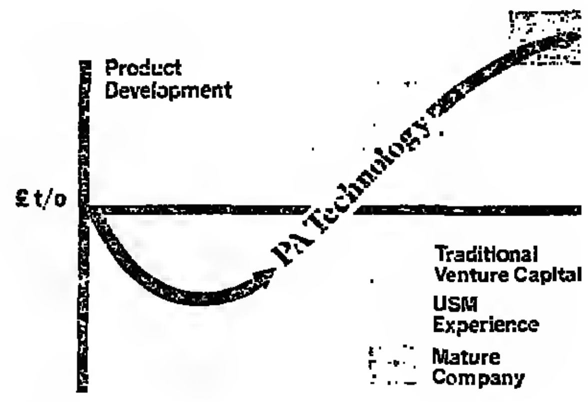

PA Technology to £30,000

The recent MORI report, "Attitudes to New Technology", prepared for PA Technology, highlighted fundamental challenges for British industry in respect of: the impact of technology on processes and products; identifying competition; the emphasis on developing new technologies to exploit totally new markets; and investment for R&D.

And that is the business of PA Technology — a £35 million global consultancy that addresses the key areas of technology strategy, by defining for some of the world's leading organisations: What technologies should I invest in *today* to be competitive *tomorrow*? *Who* will my competitors be in the future? *What* will be my competitive markets in the future and how will I compete in them?

It does this by bringing together within one organisation and its £multimillion facilities the different skills upon which innovation depends — design, R&D, strategic planning, finance and marketing. And combines these with the worldwide expertise of the £100 million PA Group, to keep technology in step with overall corporate strategy. And synergises the whole by attracting individuals of proven technical excellence combined with commercial and business skills.

Rapid growth in our business now creates opportunities — at senior level — within PA Technology's UK Marketing Group. The brief will be to present to major clients at Board and senior management level PA Technology's programme of 'managed innovation', with its implications for organisation and funding. In so doing, you would yourself develop new initiatives for technology and revenue.

These new roles call for: graduates in their late 20s-30s with an upper second or first in electronics, mechanical engineering, the applied or life sciences; possibly an MBA; successful career progression from multidisciplinary development work resulting in products — to a current technical or commercial role, with responsibility for achieving a successful 'fit' between technological innovation and profitable business. This could be in marketing, technical or business management within industry, consultancy or academia. Credibility with colleagues and clients alike is essential.

Career prospects worldwide within the PA Group are excellent. Starting salary package is up to £30,000. Initial location is the PA Technology laboratory at Melbourn, near Cambridge, to where full relocation assistance will be given.

If such an opportunity interests you, please send a full cv or telephone or write for an application form, quoting Ref: SM78/8760/FT. Alternatively, please phone Ivor Harland for an initial discussion, in complete confidence, on 01-235 6060 (or 01-840 0549 evenings and weekends).

PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SW1X 7LE.
Tel: 01-235 6060 Telex: 27874

PA consulting group: Technology · Management Consulting · Computers and Telecommunications · Personnel Services

Assistant Investment Manager

Salary upto £16,000 **Northampton**

With total assets approaching £4,000 million, this innovative and progressive Building Society wishes to appoint an Assistant Investment Manager to add strength to the Department managing the Society's cash and investments and raising 'wholesale' money in the London markets. The job holder will report to the Investment Manager and will be expected to contribute to policy in this area of the Society's operations.

The person we are looking for will preferably be aged up to 35 and have a relevant professional qualification and/or degree. Experience in a 'City' environment is desirable. Candidates should possess an outgoing personality together with the ability to communicate both orally and in writing. Drive and initiative are important. A sound understanding of investments including the accounting and taxation aspects will be required.

Salary will be in the range £12,500 – £16,000 depending on age and experience. A comprehensive range of employee benefits including concessionary mortgage facilities and relocation assistance if appropriate will be available.

Please write in confidence to the Personnel Manager, Head Office, Anglia Building Society, Moulton Park, Northampton NN3 1NL.

ANGLIA
BUILDING SOCIETY

ASSISTANT MANAGER TREASURY

£15,000 NEG

American Bank seeks imaginative banker with 4/5 years experience in either Money Market/F.X. Marketing or Trading. The successful candidate will hold a relevant degree; and must have an analytical mind to produce market reports together with the confidence to meet prime customers, and enhance team motivation.

For further details please call Sandie Robinson on 236 1113
Portman Recruitment Services

FINANCIAL ANALYST

£12,000 NEG

Leading Merchant Bank requires an ambitious graduate who has at least one years experience of Corporate Credit Analysis, to join their new International Evaluation Department. Working with all forms of Banking Instruments, you will be expected to assess the risk of existing and potential markets. Age 23+.

Phone Mike Blundell Jones on 236 1113
Portman Recruitment Services

TOP CALIBRE PENSIONS MANAGER
Who can think independently

The return of Jaguar Cars to independent private ownership will create exciting opportunities in the key area of pensions management.

Major policies and programmes as approved by the Company and the Trustee Boards will require careful planning, consolidation and management and we are seeking a fully experienced pensions professional to fulfil this vital role.

This will specifically involve the provision and control of cost effective pensions administration together with technical services whether these be inhouse or bought out.

The wide ranging brief calls for extensive practical experience covering all aspects of pensions management and you will ideally be a member of the PMI.

The salary and benefit package will fully reflect the importance of this senior appointment and relocation expenses will be covered where appropriate.

Please write, in confidence, with full C.V. including current salary to:

**Mr. G. Smith,
Manager, Salaried Personnel,
Jaguar Cars Limited,
Browns Lane,
Allesley,
Coventry CV5 9DR.**

We are an equal opportunity employer.

JAGUAR

Management Consultants for

HAY-MSL
Member-the Hay Group

Part of the worldwide Hay Group, we employ 120 consultants operating from 8 offices in the UK. We work with some 1,000 clients in the public and private sectors. Our consulting approach is to work with management and employees to help to improve organisational effectiveness and performance by implementing and managing change. We recognise that management problems overlap specialisations, so our consulting is based on practical experience and a detailed understanding of specific sectors of the economy. Our consulting teams must have knowledge of our clients' businesses as well as process consulting skills. Nearly all who have joined us have been successful in their personal development, earnings and career advancement. As a result of our continuing growth, we have opportunities, both now and over the next twelve months, for consultants to be based in one of the locations indicated.

Probably in your thirties, you must have a good honours degree and ideally a second degree or professional qualification. You must have wide experience, preferably including line management accountability, in one of the sectors listed; and must be able to relate that experience to the commercial and business concerns of clients. Analytical and communications skills — both oral and written — are important, as is the ability to persuade individuals and groups with facts, reason and understanding. In addition to openings for general management consultants in the services specified, we need: psychologists for assessment, training and development work; actuaries for benefits consulting; and professionals with a production or sales/marketing background in the Midlands.

There is a substantial profit-sharing bonus awarded on company performance, as well as a high base salary and competitive benefits including a company car and BUPA.

Please write with full details to Brian Woodrow, Director, HAY-MSL Management Consultants Group Ltd, 52 Grosvenor Gardens, London SW1W 0AW.

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SECTORS

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- Consumer Goods
- Pharmaceuticals
- Airline
- Automotive

LOCATIONS

- City of London
- London, Victoria
- Birmingham & West Midlands
- Manchester & North of England

BUSINESS OPERATIONS ADMINISTRATOR

Intergraph Corporation is a world leader in the interactive computer graphics industry and is currently growing at a rate in excess of 60% annually. We design, develop, sell and maintain state-of-the-art CAD/CAM Systems and have achieved a strong position in the European mapping, plant design, construction and mechanical engineering design markets.

To assist us in our expansion plans we are now searching for a Business Operations Administrator for our North European Region. As part of the Management Team, reporting to the Managing Director, you will be responsible for all areas of finance, accounting and administration, including personnel, contract administration and legal matters.

In addition, you will be expected to assist in negotiating contracts, implement E.D.P. Administrative systems, advise on accounting and taxation matters, and be able to communicate effectively with the European Headquarters in Holland.

Candidates will have at least ten years experience in a fast moving high technology environment. Prior contacts, accounting and finance experience and knowledge of computer systems is essential. A knowledge of U.S. accounting standards is also required.

You will be based at Intergraph (Great Britain) Ltd., Headquarters for the Northern Europe Region, which is located in Berkshire and provides a progressive benefits and salary program. Compensation will be commensurate with experience.

Applicants (male and female) are invited to write in confidence giving career details, age and salary requirements to:

Mr. T. Postlethwaite, Managing Director, Intergraph (GB) Limited, Albion House, Oxford Street, Newbury, Berkshire RG13 1JG

INTERGRAPH

WANTED: SLIGHTLY USED EXECUTIVES

If you are an able, experienced executive or professional person, yet somehow are not making the most of your potential, perhaps you need a new approach to your career. To learn how 'slightly used' executives have profitably renewed their careers, telephone for a free, confidential appointment — or send us your c.v.

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The Professionals in Career Development

We are also specialists in "Outplacement" for organisations, through our Group Company Lander Corporate Services Ltd.

London: 01-580 6771 35-37 Fitzroy St., W1P 5AF.
Bristol: 0272 22367, Maggs House, 78 Queen's Rd., BS8 1QX.
Birmingham: 021-643 4830, The Rotunda, New Street.
Nottingham: 0602 584561, Gothic House, Barker Gate, NG1 1JU.
Manchester: 061-228 0089, Sunley Building, Piccadilly Plaza.
Newcastle: 0632 618861, 15-17 Sandyford Rd., Jesmond, NE2 1X6.
Glasgow: 041-332 1502, 141 West Nile St., G1 2RN.

MANAGED FUND ADMINISTRATION

LONDON

A key role supporting our investment consultancy team.

Due to continued expansion and new product developments, we seek to boost the consultancy team dealing with all aspects of our considerable Managed Funds business.

Your role will be to support the Investment Consultants in such areas as client and intermediary liaison, collating and processing statistical and other data and maintaining close contact with senior planning officers and survey managers as well as internal departments.

The ideal candidate, probably aged 30+, will be familiar with all aspects of Managed Fund administration and have experience of client account management. A background in pensions, investment consulting or broking would be appropriate. A good standard of education and mathematical flair will be sought.

An attractive salary, depending on experience, is supported by a range of benefits including non-contributory pension, flexible working hours and after a qualifying period staff house purchase scheme. Career development prospects are first class.

Please write with full career details to: Nick Morgan, Personnel Officer, Clerical Medical & General Life Assurance Society, 15 St. James's Square, London SW1 4LQ.

Clerical Medical
Life Assurance

Jonathan Wren
BANKING APPOINTMENTS

MERCHANT BANKING
Corporate Finance Executives

Several of our Merchant Banking clients wish to expand and strengthen their Corporate Finance Departments. These opportunities are at different levels of seniority and applications are invited from candidates as follows:-

1) Executives aged between 30-35 years with several years Corporate Finance experience within Merchant Banking or Stockbroking.

2) Qualified Chartered Accountants or Solicitors, aged between 25-30 years who have had experience of Mergers, Acquisitions or tax matters.

Please telephone or write enclosing a curriculum vitae to Peter Latham, Jonathan Wren & Company Ltd., 170 Bishopsgate, London EC2M 4LX. Tel: 01-623 1266.

URGENTLY REQUIRED

A London-based International Organisation requires Assistant Portfolio Managers in their 20s with experience in the European and Far East Markets.

Good Salary and Benefits.

Candidates should apply with Curriculum Vitae to:

*Box A8658, Financial Times
10 Cannon Street, London EC4P 4BY*

Evaluation and Planning Analyst

RTZ Metals Limited is the RTZ holding and management company for a wide range of mining, smelting and associated activities within a sphere of responsibility covering Europe, North Africa and the Middle East. An evaluation and planning analyst is required to join the small head office management team based in the centre of Bristol. The person appointed will be responsible to the finance director for:

- the evaluation of major capital projects
- the preparation of capital proposals
- the co-ordination and compilation of long term strategic plans
- the maintenance of capital expenditure control and long term planning procedures.

The individual sought is a business or economics graduate in his or her late 30's with sound experience of planning and evaluation and ideally with a technical background. Some knowledge of the minerals extraction industry would be an advantage.

RTZ METALS — a member of the RTZ Group

Please apply in writing with career details to:- P. D. Arnold, Finance Director, RTZ Metals Limited, PO Box 211, 1 Redcliff Street, Bristol BS99 7NT.

Financial Planning Manager

Circa £17,000 + Car

Datapoint is a highly successful, major U.S. computer manufacturer. We now seek an ambitious and self motivated Financial Planning Manager to be based at our European Headquarters in West London.

Reporting to the European Controller, you will play a major role in the financial planning and operational control of our subsidiaries in the U.K., Germany, Holland, Switzerland and Austria with particular emphasis on planning, forecasting and statistical analysis. In addition, you will undertake a number of ad-hoc projects, requiring a knowledge of both U.S. and U.K. reporting procedures and asset management.

Candidates should be qualified either as accountants or with an MBA preferably with international experience, have spent at least 3 years in a computer or high technology environment and be fully conversant with computer aided financial tools. Strong personal qualities and excellent communication skills are equally desirable. A second language of either German or Dutch would be advantageous as extensive travel is envisaged within the subsidiaries.

Datapoint offer an attractive salary, car and other large company benefits including relocation assistance where appropriate.

In the first instance, please send your curriculum vitae to our consultant John Attenborough at Melrofield Ltd.

MELROFIELD Executive Search & Selection
Rosebrook House, Diss, Norfolk IP22 2JP

GROUP TREASURER

Experienced person required in the London area by expanding international group to head up the section responsible for multi-currency cash management, credit control etc. A professional qualification would be an advantage but personal qualities and a proven track record are essential for this challenging position. Salary will be negotiable accordingly and will be attractive to the successful candidate. Benefits include Free Canteen, BUPA Group and non-contributory pension scheme.

Please write with full details and career to date to:

Box A8670, Financial Times
10 Cannon Street, London EC4P 4BY

INVESTMENT ANALYST —PROJECTS

A Major International Investment Institution based in the City seeks an exceptional individual as an Investment Analyst for its Portfolio of direct Investments world-wide.

The successful applicant will be in his/her mid 20's and will have relevant experience gained in Investment Research, Financial Analysis or Project Finance.

The position will involve identifying and analysing the feasibility of major Investments, and the Management of the existing Portfolio of direct Investments. It will involve an element of travel.

Remuneration will fully reflect experience and ability.

Candidates should appy, in confidence detailing experience and current salary.

Write Box A8657, Financial Times, 10 Cannon Street, London, EC4P 4BY.

N.M. Rothschild Asset Management Limited

Portfolio Manager-Private Clients

An additional fund manager is required for our rapidly-growing Private Client Department. The successful applicant will have the personality to command the confidence of clients and should be able to demonstrate a successful record of investment performance. A minimum of four years in discretionary management is required. The age range is 26-40.

A high remuneration package is available, and includes a comprehensive range of fringe benefits. Applicants should write giving full details of their career to date, to:

The Personnel Director,
NM Rothschild & Sons Limited,
New Court,
St Swithin's Lane,
London EC4P 4DU.

"What would you do in my position?" "Confidentially—ring InterExec"

InterExec really understands career stagnation. It's unfulfilling, unrewarding and largely unnecessary.

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Leeds	0532 450243	12 St. Paul's St.
Manchester	061-236 8409	Faulkner Hse, Faulkner St.

Accountancy Appointments

VISNEWS GROUP FINANCIAL CONTROLLER

LONDON **C. £26,000**

WORLD'S LARGEST INTERNATIONAL TELEVISION NEWS AGENCY

VISNEWS—a diversified news and communications Group, supplies a daily news service by satellite to over 200 broadcasters around the globe. In addition to a major electronics facilities operation, it also operates the largest news film library in the world and runs, in conjunction with a U.S. Partner, the 'BRIGHT STAR' two way T.V. satellite link across the Atlantic. The above role for our organisation calls for Accountants (C.A., A.C.C.A. or A.C.M.A.), aged 35-45, who have achieved not less than 7 years post qualification experience in commerce or industry and at least 3 years heading the financial operations or as the number 2. Reporting to the Managing Director, the role will involve being a member of the executive team and making a major contribution to strategy and future profitability of the company. Duties will include the direction, control and motivation of an accounting team of 20+, monthly accounting and other financial information, future financial policy, total responsibility for planning, forecasting, budgeting, cash management and providing for further development. Experience of having designed and/or implemented a computerised accounting system is important. Salary negotiable c.£26,000 + car, contributory pension, free life assurance, free family medical cover. Applications in strict confidence to:

Gerry Williams, Personnel Controller
VISNEWS LIMITED
Cumberland Avenue, London NW10 7EH Telephone: 01-965 7733

Financial Controller, Europe

London c.£30,000 + car

This very successful international company is already a leader in its field and enjoys substantial growth prospects. Its worldwide turnover exceeds £1bn of which the European group accounts for nearly a quarter. The Financial Controller, Europe will be a key member of the Head Office team with the prime responsibility for co-ordinating the financial activities and reporting of the European subsidiaries. Periodic visits to Europe will be necessary. Candidates, aged 35 to 45, must be professionally qualified and have at least five years' experience of international corporate operations at a senior level. Salary is negotiable around £30,000 with a car and benefits.

Please send brief cv, in confidence, to Peter Greenaway, Ref: AA51/8774/FT.

PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SW1X 7LE.
Tel: 01-235 6060 Telex: 27874

GROUP FINANCE-TAX SPECIALIST

London, West End **c.£17,000 + car**

Habitat Mothercare, a major and fast-expanding international retail group, wishes to strengthen its Group Finance department by the appointment of a Group Tax Accountant with a broad experience of corporate taxes. You will be responsible for the preparation, review and submission to the Inland Revenue of UK tax computations, year-end accounting for tax in the Group Annual Accounts and subsidiary statutory accounts, group tax planning (UK corporate tax and VAT as well as overseas tax) and other special exercises. Additional experience in trust and personal taxes would be useful as responsibilities will also cover the Group's employee share participation and share option schemes.

Candidates should have at least 2/3 years' experience in corporate taxes, preferably from one of the major professional practices. The ability to deal with senior management and to work with minimum supervision is also required.

Interested candidates should write to Don Leslie at GABRIEL DUFFY CONSULTANCY (London) Ltd, 29 Thurloe Street, London SW7 2LQ, or telephone him on 01-581 0895 (day)/01-832 6229 (evening and weekends). All replies will be treated in strictest confidence.

habitat/mothercare

BUNZL FINANCIAL PLANNER

City Based **c. £15,000 + bonus + car**

Over the past three years Bunzl has pursued an aggressive strategy of expansion, involving the acquisition of over twenty companies in the U.K., U.S.A. and Australia and a significant re-orientation of the company's strategic direction, leading to a rapid rate of earnings growth. The key task of the company's small central management team is now to build on the intial success of this approach.

Reporting to the Group Strategic Planner, the prime responsibility of the Financial Planner will be to review the financial implications of major acquisition and capital expenditure proposals. The successful candiate will also be part of the small team responsible for the formulation of the Corporate plan and the annual appraisal of Divisional strategic plans and budgets. The two previous holders of this position have been promoted internally within three years of appointment.

Applicants should be Gradute Accountants, aged 25-35, with at least two years post-qualification experience of an analytical nature. A full understanding of acquisition evaluation techniques is essential and previous experieoce in planning and financial modelling would be an advantage.

Please reply to:
A. S. Knighton, Group Personnel Manager
Bunzl plc, 21-24 Chiswell Street, London EC1Y 4UD

Group Accountant

Belgium US$32,500

This is a new post at the Antwerp headquarters of a privately owned group whose activities embrace 18 countries. Accountable to the Financial Director, but reporting directly to the MD, he will be responsible for the Group's accounting function. It is expected that selection will be made from Chartered or Certified applicants under 32 years of age. Experience of computer systems would be an advantage, and a working knowledge of French highly desirable, together with ready acceptance of long hours and some overseas travel. Benefits include excellent career prospects, profit related bonus, pension scheme, car, and housing assistance during the settling-in period.

Please send cv to Ref: MA 497, Robert Marshall Advertising Limited, 44 Wellington Street, London WC2E 7DJ, or ring 0993-844546 for further details.

Robert Marshall Advertising Limited

Chief Accountant

North London ***c£16,000 + Car***

Our client a manufacturing company turnover £10m, division of a quoted group seeks to recruit a well experienced Chief Accountant. Responsible for running an accounts department of ten, the successful applicant will control preparation of budgets, management accounts and year end accounts for submission to Head Office with continuing development of computer systems. Applications are sought from qualified accountants 30-40 with broad accounting and staff management skills.

Applications to A. A. Hammond.

Reginald Welsh & Partners Ltd
ACCOUNTANCY & EXECUTIVE RECRUITMENT CONSULTANTS
123/4 Newgate Street, London, EC1A 7AA. Tel: 01 600 8387
(Associate Offices in America & Nigeria)

MANAGEMENT ACCOUNTANT

Central London

Cable and Wireless, the worldwide telecommunications Group, has recently established its Cableships & Submarine Systems Division as an independent and fully accountable business unit.

The Division now require a qualified, ambitious and self-motivated Accountant to head its Management Accounting team, and who can make a positive contribution to the growth and development of this unit.

Key responsibilities will include the provision of financial guidance to aid implementation of plans and policy for the Division's operational activities, development of business proposals and associated contractual matters. You will also be expected to contribute to the development and introduction of integrated financial recording and management accounting systems.

Your previous experience will therefore include management accounting in a creative role and exposure to commercial considerations in a competitive environment. Innovation and the skill to communicate effectively at a senior level is essential.

Our demands are high but in return we offer a generous salary, excellent career opportunities, relocation assistance where necessary and normal large company benefits.

Please send full CV to:
The Recruitment Manager, ref: R259,
Cable and Wireless PLC, Mercury House,
Theobalds Road, London WC1X 8RX.

Cable and Wireless
WE'VE GOT CONNECTIONS

Corporate Tax

We wish to appoint a tax specialist to join our substantial Corporate Tax Department which already includes solicitors, barristers and a chartered accountant.

The successful applicant will advise companies in the UK and overseas on the tax implications of a wide variety of complex commercial transactions. The work is of high quality, demanding and interesting, much of it involving an international element. The Department's activities do not involve computational or compliance work.

Applications are invited from experienced tax practitioners with appropriate legal, accountancy or Inland Revenue backgrounds. Applicants should be able to demonstrate a high level of professional achievement and an ambition to succeed in this growing and important field.

The successful applicant will enjoy a substantial salary, other benefits and good career prospects.

If you would like to be considered, please write with a detailed curriculum vitae to Garth Pollard at

CLIFFORD-TURNER

Blackfriars House, 19 New Bridge Street,
London EC4V 6BY.

Accountancy Appointments

Financial Control

High Technology c £18,000

For a major communications group operating in the UK and internationally, which continues to grow rapidly in a competitive environment.

Buoyant demand, the research programme and the introduction of new products and services have created an increasing need for improved management information. Working from the centre of the group, your prime role will be project leader for a major costing development programme, supplemented by ad hoc studies. The development phase will call for imagination as well as the practical skills required for implementation. In due course your work should lead to excellent career opportunities within either the corporate centre or operating divisions.

You will be a qualified accountant with substantial management accounting and costing experience, ideally gained with a group operating sophisticated reporting procedures. The base is London, with some UK travel.

Please write in confidence to EH Simpson, quoting ref. SF231, at 10 Bolt Court, London EC4 (telephone 01-583 3911).

Chetwynd Streets
Management Selection Limited

Young Chartered Accountant

27 – 30 **City** **£20,000+**

Our clients are a new member firm of the Stock Exchange, with strong capital backing.

They wish to appoint an outstanding young Chartered Accountant to assume full responsibility for the firm's accounting function including the development and implementation of computerised systems, the production and interpretation of periodic financial, management and statutory accounts, and returns to appropriate regulatory bodies. Additional responsibilities will include working closely with the Directors to plan the expansion of the firm in new market sectors.

Candidates will be young graduate Chartered Accountants with 3 years' post qualification experience gained in stockbroking, stockjobbing or other international dealing environment.

This post offers exciting prospects to the right candidate.

Please send a comprehensive career résumé, including salary history and day-time telephone number, quoting ref: 2182 to W.L. Tait, Executive Selection Division.

Touche Ross & Co.
Hill House 1 Little New Street London EC4A 3TR Tel: 01-353 8011

Finance Director

£35,000 BASIC

City **Age 28-40**

Few Chartered Accountants meet the following specifications:

- age 28-40
- demonstrably worth £35,000 plus very substantial fringe benefits
- proven leader at senior management level
- outstanding credit/risk evaluation skills, not necessarily in the City
- sound computer systems experience
- tough, determined and agreeable personality.

If you are one of them, please contact us immediately. Peat Marwick is acting for a City company, a large and powerful force in a dynamic and rapidly changing business sector.

You can register an interest by writing in confidence to Monica Clancy at Peat, Marwick, Mitchell and Co., Executive Selection Division, 165 Queen Victoria Street, Blackfriars, London EC4V 3PD, enclosing career details and quoting reference L3964.

PEAT MARWICK

Chief Accountant

Barnard Castle, Co. Durham: £18,500 + car

Glaxo Operations UK Limited is a principal operating company of the Glaxo Group, which is a leading international pharmaceutical Group with a successful research record in many therapeutic areas. Glaxo Operations employs over 4,000 people at a number of locations in the UK.

The pharmaceutical factory at Barnard Castle is the company's largest secondary production facility and occupies a 50 acre site in a pleasant location in Teesdale. It employs 1,400 people and manufactures a wide range of ethical pharmaceutical products for both UK and export markets.

Following internal promotion we now wish to appoint a Chief Accountant, who will report to the Factory Manager and be responsible for all financial matters relating to the site. He or she will have a staff of 40 who control the financial and costing systems which are substantially computerised. The company has a heavy investment in modern computer systems and the Chief Accountant will have a major involvement in their future development.

As a member of the senior management team, the Chief Accountant will participate in decisions affecting the overall management and development of the factory where a major capital investment programme is now under way, and will also provide comprehensive management information to fellow managers.

As rigorous financial and accounting control is essential for this major site, we are seeking a high calibre, qualified accountant with a first class educational and professional background, who already has had a successful background in industry.

The company offers an attractive remuneration package and benefits including a company car, profit sharing bonus scheme, non-contributory pension scheme and assistance with relocation where appropriate.

Please write, sending a C.V., or telephone for an application form to: Miss V. A. Waters, Site Personnel Manager,

Glaxo Operations UK LIMITED
GREENFORD ROAD, GREENFORD, MIDDLESEX. TEL: 01-422 3434, EXT. 3024.

Planning Manager

Central London **£17,500 + bonus + car**

A positive commitment to growth has made our client one of the most successful retailing groups in the UK. Due to the promotion of the present incumbent to a Board level appointment, a financial executive is now required for one of their subsidiaries, a major high street fashion chain (turnover in excess of £100 million).

Reporting to the Financial Director, and responsible for a small team, this commercial role will incorporate the preparation and control of group planning, forecasting in the short and long term, performance assessment, cash flow and computer development.

The successful candidate, a graduate accountant (aged 27–32), will have gained previous exposure in a sophisticated marketing environment. Although personality and presence are of paramount importance for this highly visible appointment, some strategic planning experience would be preferable. Assertiveness, acute business acumen and the ability to contribute in a broad sense to corporate development are vital for success within this dynamic group. Career prospects are good and the attractive salary package will include a performance related bonus.

Candidates should write to Nigel Hopkins, FCA, enclosing a comprehensive curriculum vitae, quoting ref. 143, at P.O. Box 143, 31 Southampton Row, London WC1B 5HY.

MP
Michael Page Partnership
International Recruitment Consultants
London New York Bristol
Birmingham Manchester Leeds Glasgow

Financial Accountant

c.£16,500

The British National Oil Corporation is one of the world's largest oil traders, marketing over half the total crude oil production from the UK sector of the North Sea. The Corporation also trades substantial volumes of LPG and hydrocarbon products.

Reporting to the Financial Controller, the Financial Accountant is responsible for the management and control of the Corporation's financial records and the production of Corporate accounts.

The successful candidate will be a young qualified accountant with several years post-qualifying experience. Oil industry experience is preferred but not essential.

A salary in the region of £16,500 is offered, together with medical insurance and a first rate pension scheme.

If your qualifications and experience match the requirements for this position send a detailed curriculum vitae to the Personnel Manager, The British National Oil Corporation, 1 Grosvenor Place, London SW1 quoting Ref No. FA/EMcA/FT or alternatively telephone 01-235 8020 ext. 254 for an application form.

BNOC
The British National Oil Corporation

London SW1 — Late 20's-Early 30's

Chief Accountant/ Wine Trade

An old-established firm of wine shippers seek a Chief Accountant who, by degrees, will take over the wide responsibilities of the Financial Director/Company Secretary who retires next year.

A full or part qualification in accountancy is essential together with expert knowledge of computerised accounting systems, but of equal importance is an ability to fit in to a small, busy office and to play a part in the general activities of an extremely friendly but professional and successful firm.

An excellent salary plus bonus is offered with profit participation once Board Status is, in due course, achieved.

Please write in the first instance to Ted Troubridge (ref 558) at Overton Shirley and Barry, Prince Rupert House, 64 Queen Street, London EC4R 1AD. Tel: 01-248 0355.

Overton Shirley & Barry
INTERNATIONAL SEARCH AND SELECTION CONSULTANTS

Lex MAGAZINE DISTRIBUTORS

Lex Service

Lex Magazine Distributors are the UK's major carriers of magazines and periodicals, and are a recently acquired subsidiary of Lex Service plc which has a worldwide turnover in excess of £880m.

FINANCE & MARKETING DIRECTOR

HERTS. **c£17,000 + CAR**

As a result of rapid expansion in the company's activities, a top flight executive is to be appointed to control its crucial future development with particular regard to finance and marketing. The successful applicant will be required to participate actively in the overall management process, with a strong degree of emphasis on developing business strategy.

Suitable applicants, aged under 40, will be currently employed in a senior financial position encompassing a marketing bias, ideally within a service industry. The responsibilities of this position obviously demand a positive, well-balanced approach; the ability to interact successfully with personnel at all levels, and above all an innovative, creative approach to business management.

Contact John Woodcock at Robert Half for further information.

ROBERT HALF
KENSINGTON HOUSE, SUFFOLK STREET,
BIRMINGHAM B1 1LN. 021-643 1663

ACCOUNTING AND TAXATION MANAGER

★ **SALARY RANGE £11,585 — £15,395 P.A.**
★ **STAFF MORTGAGE FACILITIES**

The Alliance Building Society is seeking a qualified accountant to manage the Accounting and Taxation Department located at our Head Office in Hove. The Alliance is the eighth largest society in the country with assets approaching £3,000 million.

The main duties of this position will be to research the tax aspects arising from new operations and legislation and to carry out ad hoc investigations. Other responsibilities will include statutory accounts, tax compliance work and development of financial and accounting systems.

Applicants should be under age 40 and have at least two years relevant post qualifying experience at a senior level. Salary will be in the range £11,585 to £15,395 per annum and other benefits include attractive staff mortgage facilities, an excellent contributory pension scheme and private medical insurance.

Applications, supported by full personal and career details, should be submitted to:
David Anson, Personnel Department Manager,
Alliance Building Society, Alliance House, Hove Park, Hove, East Sussex BN3 7AZ.

ALLIANCE BUILDING SOCIETY

ACCOUNTANT

to £16k

Harp Heating, the leading independently controlled domestic heating contractor in the UK (T/O £20m), is looking to fill the position of Accountant.

A suitable candidate would be fully qualified with commercial experience aged 30+

- who could control and motivate 17 staff
- be responsible for the timely production of management information, statutory accounts and ensure maintenance of accounting controls.
- assist in the development of accounting systems (financial and costing)

The successful candidate will report directly to the Chief Accountant and must be able to relate to all levels of personnel outside the accounting function.

For further information and an application form contact:

Mrs Moira Crudgington,
Personnel Manager
Harp Heating
47 Homesdale Road, Bromley BR2 9LF (01-464 6575)

HARP HEATING

Finance Director Designate

Cheltenham ***c£20,000 + Car***

Our client is an engineering concern, principal subsidiary of a quoted company. Reorganisation within the group has created an exceptional opportunity for the appointment of a Financial Controller with main board potential. Applications are sought from qualified accountants ideally 28-35 with broad costing, management accountancy and leadership skills. Major success in the role will lead to further opportunity to progress into General Management.

Applications to R. J. Welsh.

Reginald Welsh & Partners Ltd
ACCOUNTANCY & EXECUTIVE RECRUITMENT CONSULTANTS
123/4 Newgate Street, London, EC1A 7AA. Tel: 01 600 8387
(Associate Offices in America & Nigeria)

Accountancy Appointments

Financial director

SE Midlands, to £25,000

For a well regarded privately owned group with interests in contracting, property, plant hire and the service sector. Turnover £13m.

This is a new post in which you will work closely with the Group MD in developing strategy and in monitoring the group's performance. The job will be wide ranging in its scope but the important initial tasks will be to strengthen financial management throughout the group, to provide the impetus needed to make computer based information systems work for front line managers and to contribute to commercial decisions at main and divisional board level.

You must have a strong background at controller level in financial and management accounting, budgeting, cash and asset management and computers.

Résumés including a daytime telephone number to E J Robins, Executive Selection Division, Ref. R214.

Coopers &Lybrand associates

Coopers & Lybrand Associates Limited management consultants
43 Temple Row
Birmingham B2 5JT

Consulting Managing Director

London — **c £30,000 + participation**

Our client is a major firm of chartered accountants with a network of regional offices in the UK and associates overseas, and a wide spread of blue-chip and smaller clients. They are now establishing a broadly based management consultancy company, which will provide advice on financial control, systems, communications, corporate planning and marketing.

As Managing Director of this company you will be involved in all aspects of developing the practice including marketing its services; managing assignments; financial control; and recruitment and career development.

Probably in your thirties or forties, you are likely to have a professional qualification in accounting, ideally backed by a business degree. Previous consulting experience at a senior level is essential.

Write in confidence to EH Simpson, quoting ref. S273, at 10 Bolt Court, London EC4 (telephone 01-583 3911).

Chetwynd Streets
Management Selection Limited

Cost and Management Accountant

c.£12,500 — Mid-Surrey

For an ACMA with a couple of years experience in a commercial or manufacturing environment and proven man-management skills, there's something interesting at the mid-Surrey Head Office of this major Group.

Their business is providing materials and services to the construction industry. Their name is a household word.

And the new Cost and Management Accountant they're seeking will work alongside the present Cost and Management Account, prior to taking over his role and responsibilities in a year's time.

That, at least, is the plan and it's a fascinating opportunity for a young, self motivated accountant who is capable of running a small, sophisticated and computerised department.

Salary will start at around £12,500 but, for obvious reasons, should increase considerably next year. There are a full range of company benefits and generous relocation assistance is available if required.

Write with full CV, or phone for an application form, stating any companies to which your application may not be sent, to: F.R. Wilcockson, Director. Tel: 01-836 4466 (quoting Ref. 281).

WBH whites bull holmes ltd.
63-66 St. Martin's Lane, London WC2N 4JX

Group Financial Manager – Director Designate

New top job with a thriving manufacturing Group

c. £20,000 plus bonus and car : South East London

This is the senior financial appointment in a private group of companies, turnover around £10 million, which has a good record of profitable growth from its diversified manufacturing operations. The business owes much of its success to sustained investment in modern manufacturing facilities, effective management control, and a committed work-force.

Accountability for all financial and management accounting in the Group will be comprehensive with particular emphasis on the further development of financial planning and control systems and computerisation. Involvement in the management of the business will be total and the successful candidate will be expected to play a full role in determining the future pace and direction of business development. Success will bring a Directorship in about 12 months.

Candidates, age 35 to 45, and seasoned professionals with relevant top level management experience in manufacturing will be able to demonstrate outstanding financial and commercial acumen.

Salary is for discussion around £20,000. Additional benefits include attractive bonus, executive car and generous help with relocation if appropriate.

Please write – in confidence – with full career details to John Hodgson ref. B.18286.

This appointment is open to men and women.

HAY-MSL Selection and Advertising Limited, Sovereign House, 12-18 Queen Street, Manchester M2 5HS.

Offices in Europe, the Americas, Africa, Australasia and Asia Pacific.

HAY-MSL
MANAGEMENT SELECTION

Young Financial Controller

West London

c £15,000 +car

Our client is a successful, well established company with a turnover of around £3m. and growing fast.

The company is engaged in fashion design, manufacture, wholesale and retail. It has recently completed the first phase of an exciting development plan involving the opening of a chain of fashion shops. The rapid growth in business and the need for stringent business planning has highlighted the need to appoint a young Financial Controller to work at Board level reporting to the M.D.

You will be responsible for all financial and company secretarial aspects of the business with particular emphasis on developing computer based management reporting systems and exercising strong financial control.

You will be a qualified accountant with at least 2 years post qualifying experience ideally in industry or commerce, and will be ambitious, committed and commercially aware.

The company offers an attractive remuneration package with excellent career prospects.

Please send detailed C.V. including salary and day time telephone number, quoting Ref B2012 to W.S. Gilliland Executive Selection Division.

Thornton Baker Associates Limited, Fairfax House, Fulwood Place, London WC1V 6DW.

ACCOUNTS MANAGER

£10,000-£15,000 pa

For International Stockbrokers. Candidates, who should be qualified accountants or qualified by experience, will be responsible for the day to day running of the department. Self-motivation, a stable career record, previous supervisory experience and a good knowledge of computerised accounts is essential.

Call Sylvia Horner on 236 0642/0465

ABACUS RECRUITMENT
30/31 Queen Street, EC4

Finance Director

Warwickshire • c.£22k + car

Our client is a leading national distributor of replacement motor compooents with over 150 branches in the UK and Europe, and sales in excess of £50m.

A high calibre Finance Director is now sought to assume overall control of an established function, reporting to tight deadlines from several locations including 4 outside the UK mainland.

You will be responsible for formulating and implementing all financial policies and practices but with particular emphasis on upgrading information for senior management, developing financial and branch systems and evaluating major business projects.

Reporting to the Chief Executive you will, as a member of the Executive Committee, play an influential role in all areas relating to the company's performance. Aged at least 32, a graduate with a recognised accounting qualification you will have wide ranging experience, particularly of businesses that operate on a multi-site basis. You must have authority, maturity and a high degree of commerical acumen to achieve tangible results working as part of this professional team.

The salary is negotiable as indicated and a company car will be provided.

A competitive benefits package will be offered together with relocation assistance where necessary.

Please write or telephone for an spplication form, or submit your cv, *quoting ref: B9868/FT* (address to the Security Manager if listing companies to which it should not be sent) to: David Morris, at the address below.

PA
PA Advertising

6 Highfield Road, Edgbaston, Birmingham B15 3DJ.
Tel: 021-454 5791. Telex: 337239

Assistant Partnership Secretary ACA-Stockbroking

Age 23-27 — **c.£16,000 including bonus**

Our client, a major firm of stockbrokers, will shortly appoint an assistant who is likely to be a newly qualified ACA. His/her responsibilities will be wide ranging and will include the compilation of financial and management accounts, supervision of the nominal ledger, salaries and company secretarial duties.

The opening offers an outstanding opportunity with distinct career prospects. Candidates should be able to demonstrate a reasonable interest in the financial sector. Initiative and inter-personal skills are essential.

An attractive salary, which will include a bonus element, will be negotiated, but is unlikely to prove a problem for the right candidate.

Please apply to Jock Coutts, Career Plan Ltd., Chichester House, Chichester Rents, Chancery Lane, London, WC2A 1EG, tel: 01-242 5775.

Career plan LIMITED
Personnel Consultants

GLC
Working for London

Head of Finance Division

Transportation & Development Department

This senior appointment has responsibility for the Departments' financial management and acts as financial adviser to the Programme Controller and the Departmental Management Board.

At present the main areas of responsibility include assisting with the preparation of annual estimates, and assisting and advising on the allocation and management of resources across the Department's range of programmes, including preparation and monitoring of budgets.

A recognised accountancy qualification such as C.I.P.F.A. is required together with extensive relevant experience, including systems for resource allocation, budgetary processes, project and programme management, financial forecasting and computer based M.I.S. systems. Applicants must be forceful and effective communicators, capable of establishing good working relationships, with the capacity to offer independent financial advice to management.

Salary: £16,359-£18,123 inclusive.

The GLC is an equal opportunities employer. We invite applications from women and men from all sections of the community, irrespective of their ethnic origin, colour, sexual orientation or disability, who have the necessary attributes to do the job.

For an application form, to be returned by 20th July, write to: GLC Department of Transportation & Development, Room 454B, The County Hall, SE1 7PB or telephone 01-633 7791.

This post is suitable for job sharing

Financial Controller

London — **c£20,000**

Our client is a medium sized firm of City Solicitors, handling a wide range of private and commercial clients.

Continued expansion has created the need for a Financial Controller to appraise and enhance the finance function. Working closely with the Finance Committee and managing a department of four, the main areas of responsibility will include monthly financial reporting, cash management, budgetary control and computer development.

The successful candidate, will have had considerable experience in a comparable environment and will be able to initiate effective proposals to improve operating efficiency. Technical expertise, the ability to delegate and identify priorides in relation to the commercial management of the firm, are essential qualities.

Candidates should write to Andrew Sales, FCCA, Execudve Division, enclosing a comprehensive c.v., quoting ref. 142, at P.O. Box 143, 31 Southampton Row, London WC1B 5HY.

MP
Michael Page Partnership
International Recruitment Consultants
London New York Bristol
Birmingham Manchester Leeds Glasgow

Financial Controller

Co-operative Retail Services is Britain's largest retail Co-operative Society with an annual turnover approaching £1 billion, and plans for substantial future growth.

Retirement has created this outstanding career opportunity, and we are looking for a person, preferably aged between 35-45, with proven experience, and a practical understanding of computer based information systems. A professional qualification, and experience in a retail environment would also be advantageous.

The person appointed will be a key member of the senior management team based at our head office in Manchester, and will be responsible to the Chief Executive for the Society's financial and accounting functions.

A highly competitive remuneration package will reflect the senior level of this appointment.

For further details and application form, please write, in confidence, to:

The Chief Executive Officer
Co-operative Retail Services Ltd
29 Dantzic Street, Manchester M4 4BA

co op
People who care

FINANCIAL CONTROLLER

Food Distribution — **c £16,500 + car**

The appointment is the senior financial post in the U.K. arm of a major international food group. The company seeks to be the dominant force in its U.K. market sector, and to build further profitable growth from its present base of c £25 million sales, healthy ratios, and modern and professional management and equipment. The accounts team of 10 is responsible for the provision of normal information and services, all computerised, and the Controller role embraces the Secretariat as well as responsibility for providing a comprehensive and developing accounting function. Applicants, aged 30-35, and professionally qualified, should have run a full accounts department, preferably using micro-computers, and should be ready now to offer a business view from a broad base of accounting know-how. Personal attributes sought in male and female candidates are speed of reaction, integrity and a balanced approach to managing people. Salary negotiable as indicated plus normal benefits. Location South London area.

Candidates chosen for interview will be sent a detailed specification.

Please write, sending c.v. to:

Iain Reid

PERSONNEL SELECTION

Personnel Selection Limited, 46 Drury Lane, Solihull, West Midlands B91 3BJ
Telephone: 021-705 7399 or 021-704 2851

Accountancy Appointments

Hoggett Bowers

Executive Search and Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

Financial Director

Yorkshire, to £30,000 + car

A major manufacturer of branded consumer durables with a turnover in excess of £30 million, a first class product range and ambitions to go public within the next 3 to 5 years, requires a high calibre executive to control and develop their finance function. Aged 37-50, candidates, probably graduate ACA's, should have a background in high volume, medium to light manufacturing companies, probably with an FMCG, retail or distribution content. Reporting to the M.D., responsibilities will range from computerised systems development to interface with the city and therefore requires a broad based, commercially aware Financial Director appreciative of the many demands of general management and capable of managing the change as the Company grows in a highly competitive market place. There are excellent future prospects and the client offers a first class remuneration package with profit share. Relocation assistance is available.

P.A. Adderley, Ref: 11559/FT. Male or female candidates should telephone in confidence for a Personal History Form 0532-448661, Minerva House, East Parade, LEEDS, LS1 5RX.

P.A. to Chairman Newly Qualified City to £15,000

An excellent and unusual opportunity for a commercially aware young accountant to work on investigations, acquisition appraisals and project analysis for the Chairman of a diverse City group with interests in the UK and overseas. The successful candidate will have an independent approach and should be ready to take on general management responsibility in a subsidiary after two years.
Call Jane Woodward B.A. — Ref: 7921

Business Analyst -Oil to £14,000

A first step on a defined career path with this major US group. The role involves review and analysis of crucial business areas, utilising the latest computer technology for management information. Analysts, graduate qualified accountants in their mid 20's, prepare slide presentations for senior managers and detailed narratives for profit objectives.
Call Penny Strawson M.A. — Ref: 7886

Corporate Planning Analyst £15,000+ Excellent Benefits

As the third member of a high calibre team, the Analyst will present appraisals on business performance, planning, capital expenditure and acquisitions to the Chairman and Executive Directors of this British international. A company car and promotion into a Business management role are possible within a year for the graduate, high calibre Chartered Accountant.
Call Bill Curteis B.A. — Ref: 8161

Project Accountant -Banking City £15,000+ benefits.

An unusual role offering a young graduate accountant the opportunity to join this successful US bank. The emphasis is on ad hoc investigations and analysis covering a broad spectrum of the bank's activities, providing the necessary experience for future involvement in a specific function.
Call Ian Gascoigne M.A. — Ref: 8106

Personnel Resources
75 GRAY'S INN ROAD, WC1X 8US 01-242 6321

Newly qualified for...

CORPORATE FINANCE

Manchester £ Neg + benefits

This is an excellent opportunity for an ambitious young graduate Chartered Accountant to join the corporate finance department of a well established and prestigious merchant bank.

The appointee, in his/her mid 20's, will work closely with a Director and be fully involved in all aspects of the department's activities. Candidates must therefore have the personal qualities to operate effectively at the highest levels and demonstrate a creative and positive approach.

Career prospects are excellent and the salary is backed by benefits including bonus and relocation where necessary.

Interested candidates should contact Brian Manson on 061-236 1553 quoting reference number 4604 or write to him at our Manchester address.

Brook House, Fountain Street, Manchester M2 2EE. Tel: 061-236 1553.

DOUGLAS LLAMBIAS DLA
Douglas Llambias Associates Limited
Accountancy & Management Recruitment Consultants

MANAGEMENT ACCOUNTANT

ACMA age 22-27 neg. to £15,000 and benefits

Our Oxford based clients are world leaders in the supply of medical hi-tech equipment. As annual turnover has risen from £7.25m in the last 2 years and staff has doubled, prospects are very exciting.

Reporting to the Finance Manager, the successful candidate will, with adequate support, be responsible for the maintenance of a standard costing system, variance analysis, the control of work-in-progress and a total inventory investment of £8m. Using a Hewlett Packard 3000 system, he or she will account for direct cost of sales c. £14m.

This is a key management position calling for drive, ambition, high work-rate, good interpersonal skills and decisiveness. Benefits include a subsidised canteen, share participation scheme and relocation where appropriate. Please telephone and send your career details swiftly to:

Lynne Attwood, PA to the Managing Director
ACCOUNTANCY APPOINTMENTS EUROPE
1-3 Mortimer Street, London W1N 7RH
Tel: 01-637 5277 ext. 281/282 or Direct 01-580 7695/7739

FINANCIAL ACCOUNTANT
(INSURANCE)

25 up. From £12,000 upwards

CA or ACCA as Asst. to Chief Accountant of larger London Market Insurance Co.

All aspects of Fin. Control/returns.
Ins. exp. pref.
Andrew Moore, ACII
Moore & Weeks Ltd.
(Rec. Cons.)
52-57 Mark Lane, EC3
01-481 1806

AUDIT SUPERVISOR

Min. £15,000 (Age 28+)

International Oil Co. wishes to appoint a dynamic Chartered Accountant to take charge of the financial audits of their subsidiaries. Variable travel. Knowledge of foreign languages an asset.

Call Mrs Horner on 236 0642/0465 or send c.v. to:
ABACUS Recruitment
30 Queen St, EC4
(Recruitment consultants)

MERCHANT BANKING AND TRADE FINANCE

JOHNSON MATTHEY BANKERS LIMITED, a British-owned International Merchant Banking Group, have the following opportunities in their City office.

Assistant Manager
— Bills and Documentary Credits Department

Responsible to the Departmental Manager for the supervision of a department of approximately 20 staff, this is an excellent career opportunity for someone in their late twenties – early thirties with good administrative and organisational skills, together with several years supervisory experience. Candidates will have experience of all aspects of bills and documentary credits work including ECGD cover, foreign exchange, loans and deposits, ideally gained in international divisions of larger banks. An AIB qualification is essential.

Newly Qualified Accountant
— Loans and Advances Department

Liaising closely with our Account Officers, Credit, Banking and Securities Departments, this position will involve some customer contact. The role is to provide senior technical support to the Bank's Account Officers and the successful candidate will become closely involved in analysing and monitoring a wide variety of projects.

Candidates should be recently qualified ACA/ACCA in their mid-twenties with a degree, and auditing experience ideally gained in a banking or financial services environment.

It is envisaged that both positions will carry salaries well into five figures (to be reviewed in April 1985); highly competitive fringe benefits normally associated with a successful merchant banking group, and progressive career prospects.

Please write with full career details and current salary to: Graham Dunning, Assistant Manager – Personnel, Johnson Matthey Bankers Limited, 5 Lloyds Avenue, London, EC3N 3DB. Telephone 01-481 3181 Ext 360.

JM
JOHNSON MATTHEY BANKERS LIMITED

MARKETING ACCOUNTANT

An excellent career opportunity for a young, commercially aware Accountant within a fast moving consumer environment. This household name company offers a broad, commercial role responsible for the marketing activity at Head Office. Working closely with Brand Managers the successful candidate will monitor brand performance, pricing policies and promotional expenditure on both new and existing products and take responsibility for plans and forecasts. Suitable candidates will be energetic, outgoing individuals possessing a recognised accountancy qualification, excellent communication skills and a proven track record, preferably within an FMCG environment.

C. LONDON. Ref: JG c.£15,000

HEAD OFFICE ROLE

An ideal introduction to a U.S. multinational for an ambitious, young accountant. This position covers a wide spectrum of activities which include financial and management accounting, analysis and forecasting. Applicants should be qualified, ideally with 1-2 years post qualifying experience. FMCG exposure an advantage. Suitable for candidates looking for a career move which offers involvement, responsibility and prospects.

LONDON. Ref: CW To £15,000

The Robert Half Accountancy Salary Survey 1984 is now available. Please write or phone for a complimentary copy.

ROBERT HALF
FINANCIAL RECRUITMENT SPECIALISTS
ROMAN HOUSE, WOOD STREET, LONDON EC2Y 5BA 01-638 5191

SENIOR MANAGEMENT ACCOUNTANT

Central London
£16,000 p.a. plus Terminal Gratuity

Our Client is undertaking a major Ministry of Defence contract and is seeking a fully qualified, experienced Accountant (preferably ACMA) to take overall control and development of the Management Accounting function of this project.

Reporting to and, in his absence deputising for, the Finance Manager, your key tasks include:

- provision of financial guidance to senior management
- control of budgets
- preparation of business plans and cash flow forecasts
- preparation of regular reports and reviews for the Company and M.O.D. personnel
- cost estimates and feasibility recommendations
- control of costing rates
- development of computerised information in conjunction with the Computer Manager

You will also be required to make occasional overseas visits.

This position is for a 2-year renewable contract and carries a competitive remuneration plus Terminal Gratuity payment.

Please write with full career details quoting Ref 292, or telephone: Terry Fuller, Deansgate Management Services, Garrick House, 27/32 King Street, Covent Garden, London WC2E 8DI. Telephone: 01-240 9108/9.

DEANSGATE
MANAGEMENT SERVICES
ADVERTISING · SEARCH · SELECTION

MANAGEMENT AND SYSTEMS CONSULTANTS

We are a young and successful company supplying a wide range of consultancy services. Due to continuing expansion we require additional consultants who fit in to either of the following categories:-

1) Qualified Accountants with extensive experience of financial management.
2) Computer Systems Consultants with experience of micro technology.

Please reply to:- R. J. PAGE,
GUARDIAN MANAGEMENT SERVICES LTD.,
31 FITZROY SQUARE, LONDON W1P 5HH.

Management Accountant

West End c £15,000 + car

A privately owned commodity trading group, with significant standing in the Middle East, currently seeks a young newly qualified accountant (preferably an ACA) to assist in the development and strengthening of the finance function.

Reporting to the Group Financial Controller, the successful candidate will be responsible for the provision of annual and monthly management accounts and financial reports for the UK based service company.

Aged around 25, you will have gained experience of computerised accounting techniques and general administrative duties in a fast moving environment; some staff supervisory experience would be an advantage.

Applicants with an outgoing and flexible personality and the required level of technical expertise and accuracy, will find this appointment both challenging and rewarding.

Candidates should write to Don Day, FCA, Executive Division, enclosing a comprehensive *curriculum vitae, quoting reference 140, at Michael Page Partnership,* PO Box 143, 31 Southampton Row, London WC1B 5HY.

MP
Michael Page Partnership
International Recruitment Consultants
London New York Bristol
Birmingham Manchester Leeds Glasgow

GROUP FINANCIAL CONTROLLER

South East To £25,000 + Car

Our client is a small, profitable multinational electronics manufacturer, which has experienced rapid growth since its inception and is planning to go public towards the end of 1984.

Key to the future development of the business is the provision of an effective financial interface between the Board of Directors and Operating Companies by the appointment of a Group Financial Controller.

Applications are invited from Graduate Chartered Accountants aged 34-40 who, since qualifying with a major professional firm, have held senior appointments within a quoted manufacturing organisation. In addition to strong personal presence and communication skills you will have proven experience of management reporting, corporate taxation, consolidations and stock exchange procedures.

This outstanding opportunity will enable the successful candidate to join a general management team in the running of a progressive organisation and will result in a medium term Board appointment.

Please reply in confidence with brief career details or telephone MALCOLM J. HUDSON.

HUDSON SHRIBMAN
The complete financial selection service
College Hill Chambers, 23 College Hill, London EC4R 2RT. Tel: 01 248 7851/8 (24 hours)

Group Financial Director

West Midlands Circa £20,000+Car

Commitment will be demanded in this Senior Executive role embracing all financial and accounting responsibilities for the Group. The rewards are commensurate and include exceptional career prospects. The Group is a multi-million pound mechanical and electrical services organisation operating on a national basis through decentralised divisional management with ultimate accountability to the Head Office. The immediate requirement is for a forward looking, commercially able qualified accountant between 35 and 45 with the necessary management ability to take increasing responsibilities. Preferred candidates will have previous experience in a contracting environment, a knowledge of external financing and a thorough appreciation of EDP applications together with a positive personality that is results orientated.

Applications are welcomed from men and women.

Please send full career and personal details to John Overton, F.C.A., Overton Management Selection Limited, Monaco House, Bristol Street, Birmingham, B5 7AS or telephone 021-622 3838 for an application form, quoting reference 8/1174/FT.

OVERTON
MANAGEMENT SELECTION

FINANCIAL DIRECTOR

Aged 32-36 c. £20,000 p.a.

For a high volume retail product manufacturing company which for the first time is expanding its Board to incorporate financial directorship skills. Privately owned and marketing led the company is enjoying on-going growth which is taking their sales through the £10m per annum mark addressing the D.I.Y. and related wooden products market place.

Candidates will probably be Chartered Accountants with a demonstrably successful track record to date gained ideally in a retail orientated manufacturing environment.

Salary is negotiable and need be no bar to application. Benefits are excellent and include relocation assistance to this rural Shropshire area.

Candidates should submit details of age, experience, qualification and current earnings, quoting reference 0624 to:

QMS Recruitment
Quorn House, 6 Princess Road West
Leicester LE1 6TP

ACCOUNTANCY APPOINTMENTS
APPEAR EVERY THURSDAY
RATE £34.50 per single column centimetre

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THE ARTS

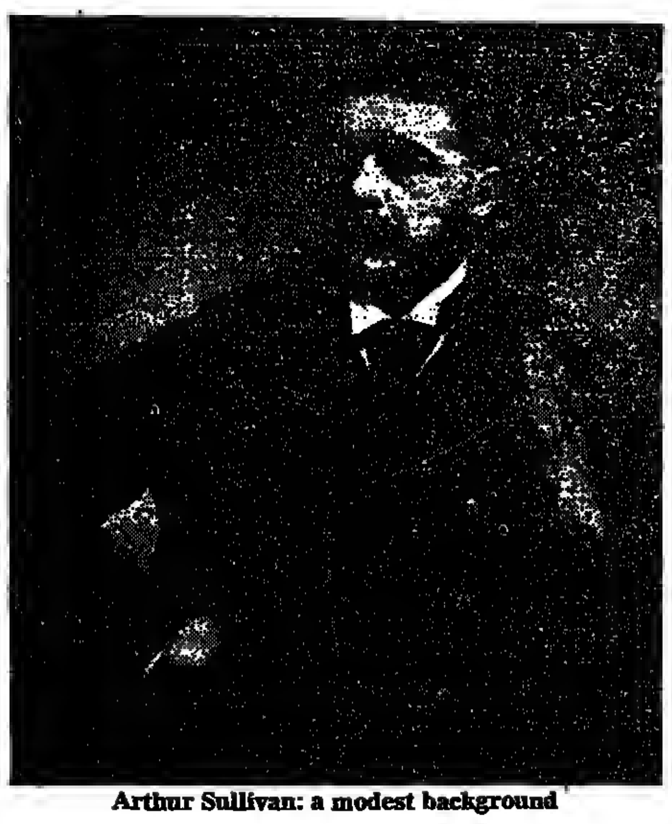
Book Review

J. W. Lambert

A singularly Victorian success story

Arthur Sullivan: a Victorian Musician by Arthur Jacobs. Oxford, £17.50, 470 pages

Sullivan and the Scott Russells: a Victorian love affair told through the letters of Rachel and Louise Scott Russell to Arthur Sullivan 1864-1870 by John Wolfson. A Headline Book, Packard Publishing Limited, Chichester, £7.95, 130 pages



Arthur Sullivan: a modest background

A panorama and a peepshow: in *Arthur Sullivan* Arthur Jacobs unfolds the most detailed account yet of the Lambeth-born bandsman's son who rose by talent and personal agreeableness to the top of his world; Mr Wolfson takes six years of the composer's life (and three pages of Mr Jacobs' chronicle) to reveal a complex of family tangles which the fictions of Ivy Compton-Burnett or Iris Murdoch could hardly match.

Born in 1842, Sullivan was almost entirely Irish, with an Italian injection three generations back. There is no evidence, Mr Jacobs makes clear, for any Jewish blood, though the claim was often made during his lifetime, nor for Negro strain, despite his swarthy complexion.

His childhood was happy in gradually, if always modestly, improving circumstances. From the age of eight he was away from home, but in charge of schoolmasters who were the very reverse of Mr Squeers; his love for his family, like theirs for him, never failed. Nor did he leave them behind in his rapid climb up the social scale. When his great musical skills brought him to the attention of influential people, he knew how to make use of them, it seems, by instinct rather than by calculation. And he used them by no means only to his own advantage: British music and musicians were his constant concern; his close friendship with the Duke of Edinburgh of the day (who when in command of one of his mother's ships boasted a complete string quartet among his officers) worked wonders for the improvement of musical education.

Throughout his relatively brief life—he died, a mere 58, as the new century began—he remained a byword for courtesy and kindness; not least in his encouragement of younger composers, as the socially and professionally insecure Elgar was eager to confirm.

So far, so good. But the Golden Boy was—certainly by the standards of his day—gravely flawed. A dreadful earnestness was in the air—as indeed it still is: imagine the consternation if Sir Michael Tippett, say, who so pleasingly quoted from *The Yeomen of the Guard* in his "Sellinger's Round" Divertimento of 1954, had followed up *A Child of our Time* with the equivalent of *HMS Pinafore* (now so gleefully reasserting itself at Sadler's Wells).

Any work of art to be "important" had to be on a large scale; and worse still, because the view is still prevalent today, to be regarded as a serious work it had to be solemn. Poor Sullivan inevitably came to believe this too; and under pressure from every quarter laboured uselessly away at his "Prodigal Son," his "Golden Legend" and his disastrous "Ivanhoe" even as he knocked off the extravaganzas for which even the mighty Viennese critic Hanslick admired him, holding him up to the Strausses and their like as an example to be followed.

Nobody, in fact, could then deny the merit of the Savoy operettas (only when the middle-class families from which they were so anxious to escape went on enjoying them did English intellectuals turn against them). All the same, the White Hope of British Music was relentlessly made to feel that he was Letting the Side Down—not least by the sort of young ladies whose correspondence with him, in his twenties, makes up Mr Wolfson's absorbing little book, *Sullivan and the Scott Russells*, and with two of whom he became excessively entangled.

Sullivan was 22 when he first met the Scott Russell family and its three talented daughters. His youthful fame and his velvet eyes, not to mention his evidently strong sexual drive, worked their spell. Eventually, but only when marriage was threatening, he was forbidden the house ("What, a professional musician!"). But the girls were free to visit him in his Pimlico rooms. There, it appears, they successively gave him their all, meanwhile bombarding him with letters yawing wildly from baby-talk to shrieks of despair:

I have torn out my heart and sent it back to you but I quiver from heart to foot in every fibre with the pain . . .

Difficult to believe that Gilbert ever came to know of all this. Yet much of his lovers' dialogue might have come straight from these letters—perhaps it was common form, like the yearnings of Shakespeare's Sonnets.

Unusually for such situations, Sullivan kept the girls' letters, while they destroyed his, in which he seems to have tried to frighten them off by tales of his unworthy loose-living—and loose it certainly was. When not walking with Kings or helplessly gambling, Sullivan was often nipping off to unknown ladies even when he had settled discreetly down, faithful in his fashion, with an older American society beauty to whom as the years passed he took to referring as Auntie.

Extensive quotation from Sullivan's newly available diaries enables Mr Jacobs to present a picture of what most would find an unendurable life, even without the kidney-stones which racked him for weeks on end with appalling pain, no doubt exacerbated by frenetic all-night sessions to finish overdue work.

Mr Jacobs justly notes that it is not at all clear why he kept the diary at all. Some descriptive passages during his restless travels apart, they are bleakly factual. Musical occasions of great interest are recorded mostly without comment, except the reiterated "wonderful reception" and some mixed feelings about Wagner. Sexual congress at various times of day are noted as though confirming that he had remembered to take his medicine, with only an occasional *himmlische Nacht*, "heavenly night," to remind him of some special exercise.

Mr Jacobs has sedulously assembled a prodigious chronicle, with not much musical assessment (and no music type), of Sullivan's distracted life amid the increasingly weird Victorian scene. Mr Wolfson, putting a corner of it under a microscope, has with admirable illustrations and through the letters of two lovesick maidens brought to alarming life a family and its fortunes whose talents would today put most such middle-class groups to shame, and whose emotional excesses make current libertarian postures look even less convincing than most of them are.

Robert East (left), Nina Thomas and Ian Ogilvy: the binding of the academic and literary world

The Common Pursuit/Lyric Hammersmith

Michael Coveney

Andrew Lloyd Webber took his latest title from Elgar, so there seems no good reason why Simon Gray should not take his from F. R. Leavis. English musicians when successful become national heroes; English writers when respectable become teachers.

In fact, the Leavisite title is an ironic comment on the lack of rigour in the lives of a close-knit bunch of middle-class Cambridge graduates of the mid-1960s, first seen frolicking to Wagner in the sunlit Trinity rooms of Stuart (Nicholas Le Prevost) and laying spirited plans for a panzer division assault on the metropolitan literary scene.

How high and how low these people aim is part of Simon Gray's acidulous intention: the world of Greek Street lunches, the French pub, unpaid prestige in literary magazines nobody reads. The key point is that Stuart has some sort of integrity — certainly Mr Le Prevost suggests that he has—and that publishing obscure poems by unknown people is important. First, though, they have to secure the backing of "the greatest living poet" Hubert Stout (mysteriously transformed from Hubert Parkin—Larkin?—in the Eyre Methuen publication, £2.95).

Stuart's cronies are the rich Martin (Ian Ogilvy) whose publishing ambitions are diluted by trying to take his Faber-style friends with him to his Mitchell Beazley-style career base; the chain-smoking Nick (Robert East) who announces somewhat strenuously, that he wants "to be a big-name theatre-reviewer when I grow up, like Ken what's-it, only on *the Sunday Times*" and ends up a television mini-personality with emphysema (like the aforesaid Ken); the promiscuous Peter (Simon Williams) whose later life veers hectically between Oxford domesticity and random sex littered with the manufacture of complicated alibis and coffee table books; and the doomed Northerner Humphry (Clive Francis) who graduates from moral sciences to Moral Tutor and a grisly fate.

The binding of the academic and literary world is skilfully counterpointed with the emotional ties between the group. Stuart's college girlfriend Marigold (Nina Thomas) acts as an odd catalyst between the shifting male friendships. These delicacies are expertly handled by the director Harold Pinter, whose own play, *Betrayal*, comes to mind in the later stages.

The action moves from 1964 Cambridge to the offices of the New Literary Review in 1973, ending, after a period of hustling with the Arts Council (a misplaced article by Nick intended for Vogue wins the support of the literature panel —"three queers, three not, three nothing.") and much breast heating about children and sterility, on a hollow semi-colon in 1979.

The ebullience of the writing about the nature of loss of aspiration and the growth of poisoned camaraderie is just about compensation for the sneaking feeling that the world of the piece is of limited, incestuous appeal. It is aimed really at a sort of clapped out Oxbridge literature or humanities graduate of the middle 1960s who touts his way around Soho and Fleet Street.

And I smell a little gunfire on the subject of a balding portly poet referred to as "Napples" who ends up in the job Nick wanted merely because the Sunday Times is impressed by his lack of qualifications. The after-taste is bitter. I did not, in fact, enjoy any of it very much. But Mr Pinter has elicited some quite astonishingly subtle and unexpected performances from Messrs Ogilvy, Williams and Francis.

White Nights Festival/Leningrad

Richard Fairman

While the Kirov Theatre played Eugene Onegin and Aida for the White Nights Festival, the small Maly Theatre—a miniature gem of a house—risked two modern operas: a new work, Pugachov, by Kobekin and Slonimsky's recent, highly-praised Mary Stuart. Both operas tread the prescribed path of Soviet culture. Pugachov was a people's revolutionary; Mary Stuart's execution is linked to the downfall of Charles I in England and Louis XVI in France. If history does not fit, "artistic truth" is given its head.

Pugachov's story is brief and brutal. The opera—based on Yesenin's poem—is in 11 scenes, nine of them exploring the revolutionaries' cause and ultimate downfall. Male voices predominate: in solos they propound their ideals; in chorus they join in mass exhortation to battle. An underlying current of violent energy remains repressed. No action is seen on the stage. In these scenes there is little variety and the production added no more: an empty stage, mostly in darkness, sufficed.

Kobekin has used various types of traditional music in his score, but they are fused into a convincing whole. His basis is the text, set to follow the patterns of speech. (In his opening solo the singer playing Pugachov almost slipped into sprechstimme.) The orchestra provides an accompaniment of long, mournful cello counterpoints and trudging string ostinati; only the occasional outburst of savagery from the brass offers relief. Very little of it is memorable. This is a work with a message and everything else is subordinated to it.

But two scenes of the eleven remain. In these the court of Catherine II takes the stage. Light and colour flood the stage and the music turns to heavy-handed pastiche: the rococo style on strings and amplified harpsichord. When Catherine sings, it is with coloratura scales and other bourgeois vocal frippery. Kobekin has denied a serious examination of the issues; or perhaps present-day Soviet composers are just uncertain how to portray the old aristocracy on the stage.

Slonimsky's opera is all about royalty and so pastiche is never far away. The composer has written in a number of styles in the past and this opera adds one more. He has absorbed the music of a different age and country: there are vocal solos of a recognizably "Greensleeves" cut and vigorous dances for woodwind and drums. Even when no obvious model is to hand, a rhythm or turn of harmony recalls English music of the 16th century. The result is strangely akin to Britten's Gloriana.

The story of the opera is not that of Donizetti or Schiller. For the most part it concentrates on Mary Stuart's early life in Scotland. This is, once again, a work of many short scenes (22 in all). But where Kobekin maintained a single thrust of action, Slonimsky risks fragmenting his opera: hardly a scene passes without pause for some courtly dances or peasants' merrymaking; a jester appears regularly and a town crier keeps up the narrative. The novelty content of the work is high.

Mary Stuart herself is portrayed as a dazzling, talented, beautiful leader. Her music is shamelessly engaging: simple songs in verses, accompanied by harp arpeggios and soft string chords. At the end, as she is taken off for execution, the people call after her but *Elizabeth stands on high* unmoved: repression has resumed. It is a rewarding role, as Prosalovskaya's acclaimed performance showed. Indeed, both productions were of a high standard throughout. It makes one envious that London does not have such a theatre or small resident company of this kind.

Capricorn/Almeida Festival

Max Loppert

Russian composers of this century, with the obvious exceptions of Rakhmaninov, Prokofiev, and Shostakovich (and, one should also say, Stravinsky), are little known and less played in the West. Tuesday's valuable chamber concert by Capricorn of 20th century Russians living and dead followed on the Almeida Festival's Shnitke programme, and was a further exercise in filling gaps, even if (inevitably) ever so slightly. While conclusive points cannot and should not be drawn from the evidence, one is immensely grateful for the chance to examine it even so.

The living were Shnitke again (represented this time by a heavily lively Serenade, in mock - anarchic pseudo - modernist style, for five players (including percussionist), Edison Denisov, and Sofya Gubaydulina. Quite senior figures all three, now in their 50s—the younger generations of Soviet composers are evidently even more heavily shrouded in mystery. For Denisov's tasteful, finely shaded, rather bloodless absorptions of serial procedures and other "advanced" techniques there was a brief vogue in the West some while back. A promised new work having failed to materialise, we heard instead his *Romantic Music* (1968), in which oboe and harp promote gently angular dialogue against etiolated flurries from a string trio; and Two Pieces (1978), tiny, well-made chromatic doodles, for three instruments.

A point that Shnitke and Denisov seem to reinforce is that those Soviet composers bold and adventurous enough to refuse the constraints of producing People's Music face a difficulty of an opposite and equal kind—that of discovering for themselves some form of individual stylistic consistency. Gubaydulina's *Garden of Love and Joy* for flute, viola, and harp threads a delicate tapestry of post-Ravellian sounds and figures—but wildly contradicts its implicit mood and atmosphere by intermittently introducing dreadful bursts of a German poem by Francisco Tanzer (bravely spoken here by Julian Jacobson).

The dead were Popov (1904-72) and Roslavets (1880-1944), both noted in the history books as experimenters with style and form in that *exhilarating* period of post-Revolutionary freedom before the Stalinist clamps came down. Roslavets' Nocturne (oboe, harp, string trio, *1913*) *reconciles*, not quite successfully, the worlds of Skryabin, Schoenberg, and Debussy. Gabriel Popov's Septet (1926-27) was perhaps the discovery of the occasion—though it too summons obvious influences (Milhaud, Hindemith, Weill, Prokofiev) and fails to hold them all within convincing stylistic bounds, the energy and hrightnes of its four movements made a sharp contrast in the middle of a programme of predominantly muled sounds (Shnitke's rough sallies obviously excepted). The Capricorn players did all the music proud

Carousel/Royal Exchange

Martin Hoyle

Rouged and epicene, the ringmaster cracks his whip. Circus folk mingle with the 19th century New Englanders whose story is to unfold. In our first taste of Jeremy Sams's musical arrangement for seven players the Carousel Waltz, accordion and xylophone much in evidence, has a faintly mid-European tang that recalls the story's Hungarian original.

If Rodgers and Hammerstein must be reduced in scale I can't imagine it done better than this. Carousel's relative intimacy inspired a vein of unaffected sweetness in such numbers as "When I marry Mr Snow," "What's the use of wondering" and "When the children are asleep." Stephen Pimlott's direction at the Royal Exchange, Manchester, underlines individual dramas in a small-town setting. Only once did I long for the opulent surge of a big theatre band.

This was during "If I loved you," though conversely the intimate performance revealed the song's high-precision craftsmanship. Admirably restrained with such a copper-bottomed hit, Richard Rodgers fashioned the piece into a mini-music drama with accompanied spoken dialogue and conversational middle-sections. The duet even ends with speech, true to the reticence of the dramatic mood and impossible in the hands of lesser composers who would have plugged the marvellous melody for all it was worth.

In the Royal Exchange's biggest ever production Sue Blane's successful costumes include a white-clad dream circus; her set, the revolve disguised as a wheel with broken spokes and rim, lends the choreography an occasionally cluttered air, strenuous rather than graceful. Jim Carter deserves his programme credit for "circus tricks."

The company's whole-hearted approach is illustrated by Michael Feast's Billy, the rough-neck fairground barker whose ghost returns with a message of love for his widow and daughter. At first too much the rat-faced snarler, his shoulder flexing aggressiveness is both too modern and too melodramatic. With the soliloquy on his unborn child, however, he comes magnificently into his own, true-voiced and impassioned. Janet Dibley's mixture of sweetness and unswerving loyalty and Tracie Bennett's vivacity bring out the wistful charm of the gentler songs.

Awesome though it is to hear lines like "First comes codfish chowder" sung by Scottish Opera's current Turandot, Ludmilla Andrew proved that "June is bustin' out all over" poses as many breathing problems as "In questa reggia" (a former Erda launched it on Broadway); but "You'll never walk alone" found her in stately form. Richard Freeman's prim and clear-voiced Mr Snow makes his mark (in the film the part went to Stravinsky's original Rake); and Jonathan Hackett's bear-like villain displays a rough humour in keeping with the folksy ebullience

Arts Guide

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June 29–July 5

Exhibitions

LONDON

The Royal Academy: 216th Summer Show – by tradition the event that brings in the London Season, and the middle classes in their masses. It is always something of a muddle, as would be any show of many hundred works chosen from several thousand sent in. This year, with 1,757 from more than 12,000, the Summer Show is the largest ever. But it is still enjoyable, if you can take the terrors as they come, and make the effort to look for the very many good things by Academicians and outsiders alike. The Academy's membership has been gaining in strength over many years, and now has rather more than a fair claim to occupy the centre of the British Art Stage. Peter Blake, Eduardo Paolozzi, Allen Jones and John Hoyland are only some of the most recent elections. Ends August 19.

PARIS

Charles Schneider – an artist with glass and a magician with colours – began with Art Nouveau and its floral themes to become a pioneer of Art Deco with its geometrical design *in his vases, goblets and lamps in* rich hues. Louvre des Antiquaires, 2 Place Palais-Royal, 11am–7pm. Closed Mon, Ends Sept 16.

Rhyme and Reason – 600 paintings, sculptures and artifacts of the De Menil family collection ranging from paleolithic to minimal art, from Europe, America and Oceania to the Middle East and Greece take up three floors of the Grand Palais. The diversity of time, place and culture is made coherent by the reasoned care and poetic intuition – hence the title – with which this very personal collection has been assembled. Grand Palais, closed Tue, Wed late opening night. Ends July 30. (261 5410).

NEW YORK

Museum of Modern Art: After being virtually closed for three years of renovation, the museum has a chance to show the depth and breadth of its considerable collection. No longer is it a boutique of the modern classics but more like a department store, with double its previous exhibition space and room for such examples of modern design as a whole helicopter.

WASHINGTON

Mark Rothko (National Gallery): 86 works on paper by a leading contemporary American artist begin a national tour with this exhibit in the East Building. The highlights are vivid watercolours from 1968 and 1969, a period when Rothko's canvases were already tinged with the sombre browns, blacks and greys *that anticipated his suicide in 1970.* Ends August 5.

CHICAGO

Museum of Contemporary Art: Italian sculptor Giuseppe Penone concentrates on the interaction of man and nature by, for instance, growing potatoes in moulds of his sensory organs and then casting the agglomeration in bronze. The artist will create a 20 foot drawing on one wall of the museum that will be erased at the end of the show. Ends Aug 8.

WEST GERMANY

Hanover, Kestner Museum, Trammlplatz 3: Egyptian art from 4,000 BC to 1,000 AD is documented by 200 sculptures, objects and photographs. Ends Aug 5.

Berlin, Nationalgalerie, 50 Potsdamer Strasse: The last West German venue of a Max Beckmann retrospective with 300 oil paintings, drawings, water colours and graphics by the outstanding German expressionist. Ends July 29.

Frankfurt, Städel, 63 Schaumainkai: Ulrich Rückriem, a contemporary German sculptor, is exhibiting eight stone sculptures from the last two years *most never shown before.* Ends Aug 19.

Munich, Villa Stuck, 60 Prinzregentenstrasse: A survey of the work of Oskar Schlemmer, the German Bauhaus teacher *(1888 to 1943). Another* exhibition is dedicated to Albert Welti, the Swiss painter (1862 *to* 1912), concentrating on one of his major paintings and preparatory drawings. *Both* end Aug. 19.

ITALY

Rome: *Museo Pigorini: "The First Inhabitants of Europe,"* an exhibition from the musée de l'Homme in Paris tracing the history of modern European Man from the earliest fossils proving the existence of "homo erectus". Until July 15.

Venice: Amid continual justified complaints about the impossibly short and inconvenient opening hours of most Italian museums and art galleries, the Guggenheim *Collection*, from having been one of the least accessible, has become the most – and will now be open every day (except Tue) from 12 to 6 pm (also Sat *from 6 to 9 pm free of charge*). The Saturday evening opening is the result of an agreement between the Solomon Guggenheim foundation of New York and Montedison.

VIENNA

The Cliche and the reality of Viennese women in their fight for emancipation at the turn of the century. Hermesvilla, Lainzer Tiergarten. Until March 1985.

INNSBRUCK

"The Tyrolean Nation 1790–1820": Prints and paintings illustrate the Tyrolean peoples' fight against Napoleon and their fruitless struggle for nationhood under their charismatic leader Andreas Hofer. At the Tyrol Provincial Museum, Innsbruck, until 14 October.

NETHERLANDS

Stedelijk Museum, Amsterdam. Eedy de Wilde, retiring soon as director of *this fine museum of modern art*, has selected a final summer exhibition concentrating on acquisitions he has made in the last 21 years. Until August.

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Living with a strong dollar

THE RELATIVE calm afforded by Independence Day, when U.S. markets are closed, preceded by a firmer tone on Wall Street, is a good opportunity to reflect a little about the obstinate strength of the dollar in face of a record and rapidly growing U.S. current account deficit — not to mention the misleading reflection in British headlines, which repeatedly proclaim that sterling is at a new record low. It is a situation so strange by past criteria that many observers seem unable to believe the evidence of their senses, however long it persists. The level of the dollar is "unsustainable," however long it is sustained. The gap between dollar and European interest rates "must" be narrowed, even as it grows steadily wider. So obstinate are these misunderstandings that when the authorities show a steadier nerve, confidence is undermined.

Understanding is made more difficult because the present situation is one in which the most experienced heads are those most thoroughly conditioned to wrong ideas. Nearly all those at the head of affairs grew up in an era of fixed exchange rates and widespread controls on the movement of capital, in which one theory of foreign exchange valuation — the theory of purchasing power parity — was enforced by a heavy weight of international machinery. Current accounts were expected to balance, taking one year with another, deficits were difficult to finance, and devaluation was the recommended cure in obstinate cases.

Floating rates

These may have been sensible rules, and certainly the world prospered under them; but they do not reflect any natural law which operates in other than the very long run. We make daily use of communications satellites which disprove (except in the very long run) that what goes up must come down. We have yet to get used to the idea of an entire economy going into orbit for a period.

The development of the Euromarkets and of floating interest rate financing altered the ground rules of foreign exchange out of recognition. What started as an ingenious exercise in cost reduction, avoiding irksome taxes and reserve requirements, and was facilitated by a form of contract which appeared to eliminate financial risk for banking intermediaries, soon became a market which could move funds on a sufficient scale to overwhelm even the stoutest rules and institutions. Exchange rates now float, and capital is very mobile.

The exchange rate is no longer an instrument of adjustment, but a market price. Hence countries which require to run large surpluses in traded goods — to pay for raw materials, or finance large capital exports — get an exchange rate which facilitates this. Any divergence would create strain. Hence, for example, the persistent "undervaluation" of the Japanese yen. Countries which, on the other hand, are exporters of commodities, and which attract foreign capital readily, live quite happily with large deficits on manufactures. They tend to have stably "overvalued" currencies.

Given this set of rules, it is not very interesting to ask: "How long can the dollar stay up?" We must go to fundamentals and ask: "How long will the U.S. economy attract foreign investment?" Once the question is stated in this form, it ceases to be at all surprising that this rich, dynamic and highly adaptable economy, strong and secure, should be such a magnet for world savings, and is likely to remain so for some time. Very old readers may remember that something similar happened to sterling about the turn of the century. It took two world wars to make us competitive again.

What those wars did was to wipe out the foreign capital we had accumulated as a world technical and financial leader. In the end, of course, sustained deficits can do the same; hence Mr Paul Volcker's warnings that the U.S. could become a net debtor. A large slice of U.S. assets — banks' claims on developing countries — now look shaky; hence the inhibition on Fed efforts to stabilise the U.S. economy, and the surprising strength of demand, which enlarges the current deficit. Thus time's revenge on the U.S. may be accelerated peaceably. Until then, the dollar is quite likely to remain "high."

Glimmer of hope in Lebanon

IT MAY well be naive to suggest that Lebanese political leaders have learned anything from the recurring tragedies which have befallen their country in the past nine years. But again this week there is the glimmer of hope that they are edging towards a modus vivendi in the greater Beirut area which would permit a semblance of normal life to return to the capital and provide a basis for more substantial political reforms in the future.

Whether that happens will depend in large part on the extent to which the country's most powerful factions, especially the Christian Maronite militias, have correctly interpreted the events of the last nine months.

First, they have to accept that the domestic affairs of Lebanon are most emphatically not a vital Western interest. While American marines occupied the shooting gallery around Beirut airport, President Reagan persuaded himself to the contrary. Few people believed it then, apart perhaps from the hapless Lebanese, and even fewer people believe it now.

Second, Syria has demonstrated successfully that insofar as eastern Lebanon and the greater Beirut area is concerned, it is the dominant external power. However much Israel, the U.S. and some Lebanese may regret this fact, there is now no question that Syria is the prime mediator among the warring factions.

Third, and stemming directly from that direct Syrian involvement, is the reassertion that Lebanon has to look to its future primarily within the Arab nations and not in alliance with Israel and the U.S.

Fourth, Israel has abandoned, at least in the short term, its attempt launched in the summer of 1982 to create a Lebanese political system with which it could conclude a peace treaty and impose direct influence. Israel's major preoccupation now is to achieve a security arrangement for its northern border which would allow its troops to return home without the risks of Galilee again coming under fire.

Fifth, and perhaps most important, it has to be accepted by all Lebanese that the constitutional arrangements of the past 40 years are no longer valid. The Maronites are a minority in Lebanon and a more equitable sharing of power with the Moslem majority, on which a tentative start has been made, is fundamental if the country is to survive as anything more than a geographical entity.

The creation of a six-man military council to administer the army and the deployment of Goverment troops in both East and West Beirut as a prelude to reopening the port and the international airport are important steps in the right direction. It would be unrealistic at this stage to expect rival militias to relinquish their weapons but at least they have agreed to hand over to the army some heavy artillery and to withdraw their forces from the streets of the capital.

What happens next will test the degree to which the Maronites have been converted to the idea of more equitable power-sharing and the restraint demonstrated by Moslem leaders in pressing their claims. The bitterness of the civil war has created a depth of suspicion which will only very slowly be dissipated through sincere acts of reconciliation.

Reconciliation

There is little that Western nations could or should do to assist in the economic reconstruction of Beirut. However, in the wider context of the Arab-Israel dispute, for which Lebanon has been the most recent battlefield, there is no such excuse for inaction.

The greatest single external encouragement to political reconciliation in Lebanon would be some indication of progress towards resolving the Palestinian issue. The hope must be that the Israeli elections later this month will produce a government more amenable to compromise and one or two courageous Arab nations will respond by recognising Israel's right to exist as a sovereign state. It may be a vain hope, but there is no denying that the alternatives are immeasurably worse.

Similarly the Lebanese must be encouraged to believe that the fate of their country is in their own hands. It has been convenient and sometimes correct for Lebanese to blame others for contributing to their successive crises. The less they can honestly employ that argument, the greater the chances of building on this week's modest successes.

The battle over proposals to scrap the GLC

The row that refuses to die

Hazel Duffy reports on plans for the capital

Ken Livingstone: something of a hero.

IF THE Government gets its way, the Greater London Council will disappear in 1986. That will not mean the end of democracy for Londoners because they will continue to elect local borough councillors. But it will make London, with a population of 6.7m and a budget which exceeds many national budgets, one of the few major cities in the developed world without a city-wide government.

The proposal to abolish the GLC, along with six metropolitan counties elsewhere in Britain, was slipped into last year's Tory manifesto in the expectation that it would be highly popular.

Instead, the process of abolition is becoming a huge embarrassment for the Government. Curious alliances have been forged between peers from the backwoods and Labour MPs pledged to fight abolition. The Prime Minister has even managed to make something of a hero of Mr Ken Livingstone, the GLC leader who was regarded as dangerously Left-wing by many Londoners in the months after he took over the council in 1981.

Given the entrenched interests of the pro- and anti-abolition sides, there has been little opportunity to assess the arguments dispassionately. Pitting Mr Livingstone's wit against Mr Patrick Jenkin, the hapless Environment Secretary, as happened in a broadcast debate recently, is certainly entertaining, but it scarcely helps the thinking Londoner decide whether or not the GLC *should* survive.

Stripped of the rhetoric, what first is the case *against* the GLC. Broadly it is that it has powers, but it does not have enough to do and that much of what is does could be done more cheaply by central government or by individual boroughs. Moreover, according to the critics, the GLC has also strayed into areas which do not concern it (Northern Ireland) and has been much too generous in handing out ratepayers' money to peripheral minority groups.

The case *for* the GLC, in essence, is that a capitol city like London needs an "umbrella" council to provide a range of city-wide services—from waste disposal to the fire service—and to be responsible for planning, and overseeing, the future development of the 610 square mile Greater London region.

Little opportunity to assess the arguments dispassionately

Moreover, this argument runs, there is a sound political case for having this body elected and not appointed by the boroughs making up the Greater London area. GLC supporters say an elected council, independent of these boroughs, is much better placed to stand up to competing claims from lobbies within the individual boroughs.

It was in response to this argument that the GLC was set up almost 22 years ago under an Act passed by the second Macmillan government. That followed a royal commission of inquiry, chaired by Sir Edwin Herbert, into the sort of government needed by Greater London.

It succeeded the London County Council, set up nearly a century ago by Lord Salisbury. Its purpose was to bring together under one body the proliferation of services then being administered by separate authorities and the City of London. Central government had not been keen on delegating much authority—it was only the deaths of 14,000 people from cholera in the 1850s which forced the creation of the Metropolitan Board of Works, one of whose first tasks was to build a city-wide sewer network. More than anything, it was this which transformed public health in the second half of the century.

The LCC, over the years and especially under the leadership of Herbert Morrison in the 1930s, played a pioneering role particularly in the fields of housing and education. It became a Labour-dominated authority and resisted several attempts to extend its boundaries and change some of its functions. Several foreign cities used the LCC as a model for their own local government.

By the time the LCC was abolished, however, its boundaries—the present inner London boroughs—made little sense in view of the expansion of London. The inclusion of the new suburbs seemed to make sense in terms of strategic regional planning, and it also gave the Tories the chance to break the Labour stranglehold on the LCC.

But the legislation also consolidated boroughs and created 32 new boroughs bigger and stronger than those they replaced. After a hard-fought battle the Outer London boroughs managed to grab the education function, which is the single most expensive service provided on a local authority level. Education in inner London stayed with the Inner London Education Authority (ILEA), which is controlled by a committee nominated by the GLC.

While the GLC covers the 32 Greater London boroughs, ILEA provides educational services in the 12 inner London boroughs and the City. It is responsible for the education of 300,000 children in 1,084 schools (taught by 20,000 teachers, including several thousand part-timers). In addition, 144,000 people are attending 25 further education colleges and five polytechnics, and ILEA provides adult education for almost 250,000 people from a total budget this year of £912m.

Apart from education the main functions of the GLC were strategic planning, housing (most responsibility has since been transferred to the boroughs), London Transport (last month handed to Whitehall), transport planning, traffic regulation, major roads and road building, waste disposal (not collection), leisure and arts, fire service and building inspection (though only in inner London).

The GLC is a big spender. In the Government's eyes, indeed, it is an over-spender to such an extent that the penalties it has incurred in the past few years have led to it receiving no rate support grant from the Government. In 1984-85, the GLC's estimated net expenditure (current expenditure funded by rates and grants) totals £2bn broken down as shown in the table.

By contrast the 12 inner London boroughs will spend £1bn, and the 20 outer boroughs £1.9bn.

GLC ESTIMATED EXPENDITURE 1984-85	£m
Education	923.3
Libraries, museums, art galleries	3.6
Fire	122.2
Highways and local transport	146.2
Housing	35.1
Refuse collection and disposal	59.0
Sports and recreation	26.7
Parks and open spaces	16.5
Town and country planning	15.9
Other services	94.5
Concessionary fares	69.0
Contribution to passengers transport	187.7
Debt charges	129.5

Total GLC and ILEA rate and grant borne expenditure (including some items not recorded above) = £2,012.5m.

Source: CIPFA

It can be fairly said that over the last 20 years the GLC may not always have used its powers to best advantage. Major London projects like the Thames barrier have been few and far between, and in some areas it has had a minimal effect on the capital.

Take strategic planning. The authority took a remarkable 11 years to draw up a greater London development plan, it over-estimated population growth and took along time to abandon prestige projects like the inner London motorway boxes. Indeed it has only recently woken up to the fact that the M25 orbital road round London is already beginning to redraw the commercial and industrial map of the city. Some critics claim that none of the GLC's structural and development plans have ever been realised.

Despite its less-than-brilliant record in areas like strategic planning, the supporters of a London-wide authority—which include the GLC Conservative group, and many bodies which have no political axe to grind—argue that certain services can be provided more efficiently by a single authority than by a multiplicity of ad hoc bodies and committees as has been proposed by the Government.

The division of functions between the boroughs, the GLC, regional health authorities, water boards, and Whitehall is already inconsistent. For instance, the GLC runs the fire service, but not the ambulance service. LT was controlled from County Hall, yet British Rail commuter services were responsible to the Department of Transport. The Metropolitan Police are responsible to the Home Office, but the police in the rest of Britain answer to the metropolitan and shire counties.

The Government's case against the GLC is that it is an unnecessary and wasteful tier of government. Yet its abolition will not mean abolition of its services. These have to be re-allocated, re-arranged and financed. The Government's White Paper, Streamlining the Cities, outlined ways in which that would be done. Subsequent arrangements have emerged piecemeal in statements from the Department of the Environment. These will form the basis of the main abolition legislation which it is proposed to introduce this autumn.

The anti-abolitionists argue that the net effect of this will be to add to the inconsistencies of the present situation without saving any money.

It is proposed that various statutory bodies will run certain services. They include: ILEA (to be directly elected), the fire service and possibly waste disposal. There will have to be another body to handle residual matters, including the management of the GLC's debt (the actual debt will be re-allocated as far as possible to the boards and boroughs) and its staff pension fund.

Responsibility for planning will be split between the boroughs and Whitehall. The Secretary of State will be advised on certain aspects of planning by a planning commission which he will appoint.

Also, some 80 miles of roads for which the GLC is responsible will go to the Department of Transport. The remaining GLC roads are to become the boroughs' responsibility, as well as traffic management.

Clearly, some of these functions will require committees with representatives from two or more boroughs—for example, a road scheme that crosses the boundaries of a borough. In the absence of a London-wide authority to determine the framework within which such committees will work, the fear is that committees will proliferate and take even longer to make decisions than the GLC.

To gauge the way in which these arrangements will work is more difficult than in the metropolitan counties, simply because London has almost no experience of them. London has had two tier government for nearly 100 years, the other conurbations for only 10.

The London boroughs, particularly those in outer London, have a pretty good record in administering services. But they do not have the experience of the long-established city authorities in Birmingham, Manchester, Sheffield, etc. in coping with a wider range of responsibilities.

While some of the districts in the region may be happy enough to have some of their powers returned, other London boroughs are worried about the implications of some of the proposed new responsibilities like major road maintenance and traffic regulation.

The groundswell of popular support for the GLC has come about only since notice of its death was served and Mr Livingstone deftly transformed himself from a local politician who irritated many Londoners into the best-known leader London since Herbert Morrison.

Support has come only since notice of death was served

His advertising campaign to save the GLC, which has so infuriated the Government, has won the support of many Londoners who previously saw the GLC as a faceless bureaucracy.

The more serious accusation made by bodies as difficult as the Methodist Church and the London Chamber of Commerce and Industry, is that the Government has passed up the chance to commission an independent inquiry into the sort of government London really needs—and that the prescribed cure may prove worse than the disease.

Men and Matters

Osborne's rise and fall

Adam Osborne, founder of Osborne Computer Corporation, is determined to show that it was not his fault that his company went bankrupt last year.

In a book to be published this month—"Hypergrowth: The Rise and Fall of Osborne Computer Corporation"—Osborne takes most of the credit for the successes the company enjoyed. "My greatest coup," he says modestly, "was the software bundle with the Osborne 1. While today, the feat might appear to be an awesome piece of business acumen, at the time it was both obvious and easy to negotiate."

Blame for the company's failure, he spreads among just about everybody else around—from Ban kof America to various OCC executives.

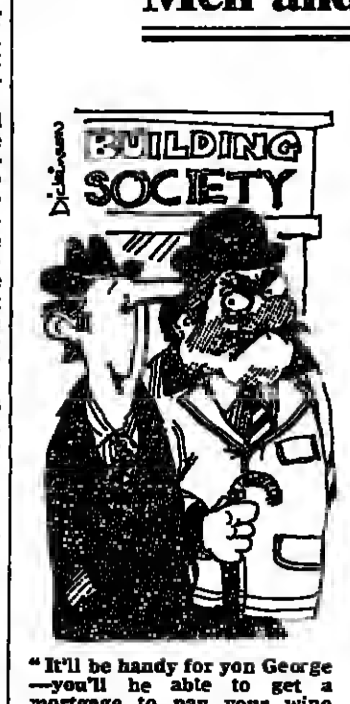
But the main target for his allegations—which, despite the attentions of three sets of lawyers already, seem likely to occupy many more—is Robert Jaunich, whom he brought in as company president in January, 1983.

Osborne admits that he does not have a "water-tight case" against Jaunich—"otherwise I would be suing him." Jaunich, himself, claims Osborne's views on his role are "ludicrous" and "a gross misinterpretation of facts and events." And a letter from Jaunich's lawyers threatening legal action is bound into the book.

Meanwhile, Robert Brown, now president of OCC, is stressing that Osborne is no longer associated with the company. OCC worked itself out of bankruptcy last month and will try to make a come-back in the British personal computer market.

Royal charter

When John Howard took over in 1980 as chief general manager of Royal Insurance, one of Britain's largest composite insurance groups, he challenged two centuries of operational practice in the industry.



"I'll be handy for you George —you'll be able to get a mortgage to pay your wine merchant."

Where insurance companies had tried to fix premium rates so that income at least covered claim payments and expenses, Howard insisted that the rates should be fixed to generate an acceptable return on the capital employed.

A common enough practice in most industries—and one that reflected his year as Royal's investment manager. But it was regarded as heresy by many insurance executives.

Howard felt that rigid adherence to the old philosophy was inhibiting the development of Royal. The group, he believed, could embark on a controlled expansion programme based on strict financial controls relating to return on capital.

But he will retire at the end of the year without knowing whether his change of direction has been justified. Hit by the most severe insurance bear market ever seen in the U.S., the company is recording ever-increasing underwriting losses and static profits.

Howard's successor, Alan Horsford, is currently involved in radical cost-cutting exercises within the group, particularly in the U.S. where, among other measures, Royal is moving its castle office out of New York.

The "return on capital" approach, Horsford believes, puts even more emphasis on prudent underwriting. And one of his tasks, he says, will be to ensure that the role of underwriters in Royal is properly recognised. A return to the old system in a different guise?

In the dark

Some uncertainty over when Bob Dylan will take the stage for his mammoth Wembley Stadium concert on Saturday. "Originally, he was due to appear at eight o'clock but he's now become an Hasidic Jew and cannot appear before sunset," said a helpful observer at his record company CBS.

In an effort to ease matters, CBS was sending a spy to Newcastle yesterday to check the timings on his concert there. Somebody might have told them that a sunset on Wednesday is not quite so important for a Jew as sunset on the Sabbath.

No green peace

Election in sight, President Reagan has been trying to patch things up with leaders of U.S. environment groups, alienated by past administration policies. But the bestlaid schemes.....

Five leaders of hostile organisations had been invited to lunch at the White House when the news broke that the President had invited the former head of the once scandalridden Environmental Protection Agency to head a government commission.

Anne M. Burford, a protege of former Secretary of the Interior James Watt left when the EPA was engulfed in the scandal that was named "Sewargate" by investigating congressmen.

So when the White House announced her appointment to head the national committee on oceans and the atmosphere, conservationists were outraged and James Hair, a director of the influential National Wildlife Federation, said he would not go to the lunch.

But he did turn up, half an hour late, after eight phone calls from Reagan's officials saying the President wouldn't start the lunch without him.

The meal—which Hort still refused to eat—was dominated by criticisms of the Burford appointment. The President said he had been sympathetic to her resignation last year and felt that something ought to be done for her. Her job is part-time—$100 a day for eight two-day meetings a year.

Meanwhile Democrats in Congress have leapt on to the band wagon threatening to get Federal jobs withheld from Mrs Burford's commission, and other sanctions.

Togetherness

Did Czech-born Leo Kalisch, head of Pacific Sales, the Manchester leather company, know something we didn't know when he talked about his fellow countrymen, Robert Maxwell, last week? They had little in common, be said, but later added: "Years ago, I dealt in mirrors."

Musical note

Constantly intrigued by the attempts some people make to add new complexity to the English language, I offer the following—though I admit it is second-hand. There is a sign in a music shop in Oxford which says it has "pre-owned organs" for sale.

Observer

ECONOMIC VIEWPOINT

'The coming capacity crunch'

By Samuel Brittan

THERE is always some limit to how far or how fast output can rise in a recovery or boom; and if anyone presses too hard on these limits the result shows itself first in inflationary pressure and then in an economic "stop" of some kind.

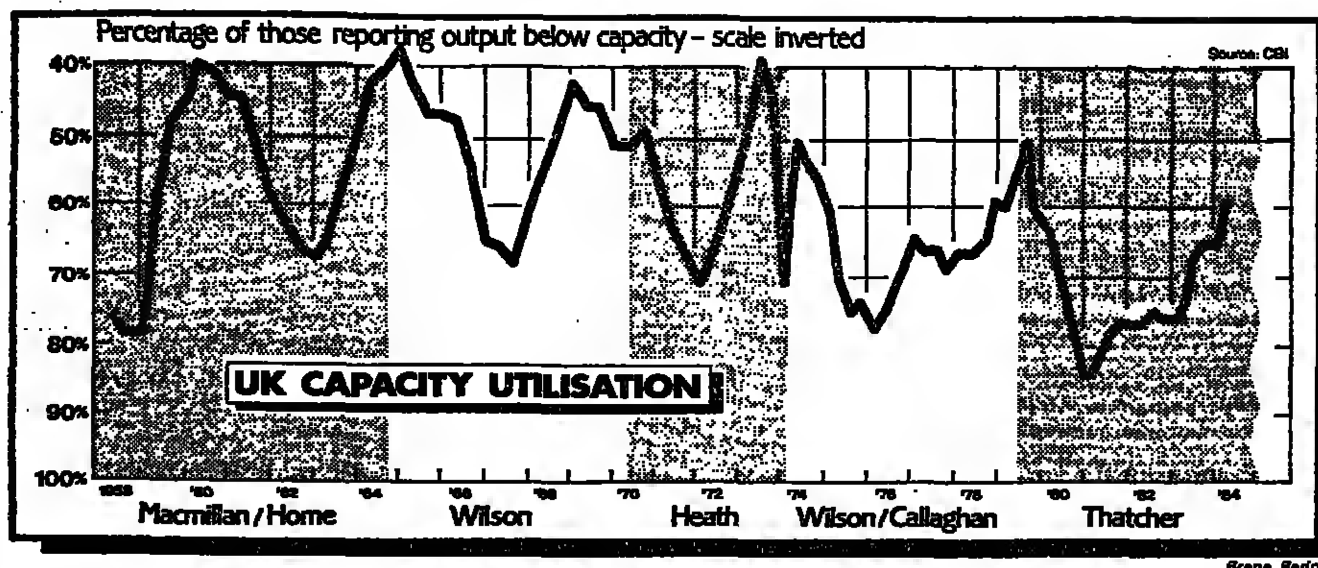
For most of the postwar period in most industrial countries the effective constraint was in the labour market. If expansion was pushed too quickly the result was wage inflation, and, if financial policy was sufficiently accommodating, a wage/price spiral.

There are now signs on both sides of the Atlantic thet a new constraint has emerged, that the main brake on expansion is no longer labour but capacity of all kinds. This has serious implications. For it means that an effective output limit might be reached while there are still many unemployed workers; and that it will require a slow haul in terms of the long-term growth of capacity before high employment can be restored.

These output constraints should not be seen in purely physical terms. When the operative constraint was the labour market, it did not mean that there were no unemployed people left at the height of a boom. Given union power, and other labour market mismatches and imperfections, wage inflation could start to rise, as it did in the UK in 1977-79, when unemployment was over 1.3m.

Similarly a capacity constraint does not mean absence of factories or service facilities with physical space for producing more. It means a shortage of capacity relevant to current technology and market demand and which it is profitable to bring into operation at current levels of wages and material costs.

Evidence of "the coming crunch in capacity-utilisation" comes from both sides of the Atlantic. These words have in fact been used as the title of a recent paper by Morgan Stanley of New York. The alleged crunch is being brought about by two forces. Manufacturing output has been growing faster than in previous recoveries; but capacity has been rising more slowly thanks to a decade of sluggish capital spending.



The Federal Reserve's official capacity utilisation index reached 81.7 per cent in May, just below the magic 82 per cent figure believed by some U.S. economists to be the rate at which inflation takes off. Adjusting for age, Morgan Stanley believes that the figure should be corrected upwards to 87 per cent.

Investment flows into tha U.S. have kept the dollar high and rising despite a large upsurge in imports, and the latter has reduced the pressures on domestic capacity. But there is a limit to the size of the current payments deficit—now approaching $100bn, per annum—which even the U.S. will be able to finance indefinitely.

A valid reason for scepticism is that the estimates relate only to manufacturing industry—capacity is much more difficult to measure in services. But manufacturing is still about a quarter of the U.S. and European economies.

The U.S. capacity constraint may eventually cure itself. Industrial investment is rising by 20 per cent per annum, despite high interest rates and the fears that the budget deficit would crowd it out. Such a constraint is more surprising in Europe where economic recovery, so far from being especially rapid, is rather slow by past standards. But if it exists it is likely to be deep-seated and more difficult to eradicate than in the U.S.

In the UK the first intimation of a capacity constraint appeared in the debate on the Budget documents in March. The Treasury envisages an average growth rate of 2½ per cent over the period 1983-89—or 2¼ per cent excluding North Sea oil, which may be running down. For the 1990s the Treasury had alternativa projections of 1½ to 2 per cent given in the Public Expenditure White Paper.

Although better than in the past decade, some commentators — myself included — were depressed that these growth rates were inadequate to make major inroads into unemployment, especially if productivity *continued to rise rapidly*. Yet the London Business School in its April Forecast Release, contested the projections from the opposite point of view, saying: "Over the medium-term we would not expect growth much in excess of 1½ per cent per annum." The LBS added that "the growth potential of the UK economy is limited, not by the labour supply but by the stock of economically viable capital."

Examination of the CBI Trends Survey does give point to the warning. It is true that 59 per cent of the firms questioned said that they were working below a satisfactory full rate of operation. This may seem a low rate until it is remembered that most firms think that they could produce more from existing plant — and no doubt they could if extra demand came for the mix of products in which they specialise. Even at the height of past inflationary booms, such as the Heath-Barber one of 1972-73, nearly 40 per cent of firms though they were working below capacity.

As the chart shows, the recent survey represents by historical standards a moderately high rate of utilisation. This is quite remarkable when recovery has still—one hopes—some way to go, and when, on tha basis of official forecasts, real GDP in 1984 will be only 4 per cent above its 1979 peak and manufacturing output will be 10 per cent below. In contrast to the U.S., unemployment has continued to rise throughout the recovery and total employment has only just levelled off. So there seems a big discrepancy between reserves of unused labour and reserves of economic capacity.

Another question asked by the CBI is about factors likely to limit production. Five quarters after the trough in manufacturing output, some 14 per cent of respondents listed "plant capacity" as a factor. This is still quite modest; but it represents a rise of 10 per cent from the recession bottom. It is already as high as it was in the corresponding period of the 1975-76 recovery even though unemployment is more than twice as great.

The CBI adds in its May Economic Situation Report: "There is also some suggestion that the variations (in capacity utilisation) between industries have widened since the recession, so that the average may be disguising considerable differences in individual experience."

Some work done at the University of Sussex Science Policy Research Unit by Luc Soete and others suggests that the increase in capacity shortage unemployment is not confined to the UK, but is present in most of Europe. They also produce estimates suggesting that technical progress in most industries in recent decades has been labour-saving but capital using. *In other words, very large* increases both in capital expenditure and on total output may be required to maintain existing employment.

There are two reasons for taking a slightly more optimistic view. One is that Soete's work, like the other studies cited, is based on manufacturing. Service employment might be able to expand without quite such large additions to installed capacity. The second consolation is provided by Soete's own conclusion that electronics, unlike other industries, has shown dramatic growth in capital as well as labour productivity; and this may provide a source of growth, not only for electronics itself, but other trades affected by the computer revolution.

There are not many ideological goals to be scored in the capacity debate. One side will say that capacity shortages are due to excessive scrapping brought about by the recession. The other side will say that most of this equipment was becoming obsolete anyway, and attribute part of the blame for inedequate or unduly labour-saving investment to high labour costs.

A more immediate question is: how does capacity shortage show itself in practice? Under the old-fashioned post-war rules, where governments had goals for output and employment, a capacity constraint would show itself in a tendency to *accelerating inflation*. Under a more modern policy regime, where governments try to control nominal spending over-optimism about capacity shows itself in output growing more slowly than expected and inflation settling slightly higher, but not accelerating.

An example will make this clear. Suppose a modern style strategy provides for a growth of nominal GDP of 8 per cent per annum, some 3 per cent of which it is hoped will go into higher output and 5 per cent will represent inflation. If the government is over-optimistic about capacity, then once the recession slack has been absorbed output might grow, say, at only 2 per cent and inflation will be 6 per cent. The Treasury can then accept 6 per cent inflation or revise its nominal GDP objective down to 7 per cent, which would be consistent with 5 per cent inflation. (I have used the Treasury's 1984 arithmetic for illustration and abstracted from its desire to reduce future inflation. But there may still be enough slack to avoid reaching a capacity limit until 1985 or 1986.)

If labour is surplus and capital in short supply, there will be natural long-run market forces making it profitable to introduce more capital. These only work if the relative price of labour and capital—wages and interest or profits—are allowed to move reasonably freely. This is more likely in the U.S. and Japan than in Europe, where a high-wage, low-employment mentality is an obstacle to progress. If market pressures require an increase in profits relative to wages, adverse distributional consequences are best taken care of by direct measures to widen the ownership of capital, rather than by interfering with movements in the relative price of capital and labour.

Lombard

High cost of not playing the game

By Anthony Harris

BY ONE of those happy accidents of timing which suggest the presence of a good fairy at the christening, the new Centre for Economic Policy Research (an academic fairy godmother of a kind, with back-door connections to Chatham House) held its first international conference just after the European summit had finally laid the British budget nuisance to rest. Its theme: policy co-ordination. Its conclusion: co-ordination would pay all players but it is difficult to atart. It may, indeed, be impossible if Europe does not get its act together.

So far, you may think, an everyday sermon against sin; but you would be wrong. Economists bave odd ways of reaching apparently obvious conclusions, and can sometimes gain unexpected insights on the way. Participants with a practical background might have been horrified to find the talk did not focus on the shop topics of those who actually have to do any co-operating that gets done—whether to intervene in currency markets, how to define targets, what rules should govern IMF support, and all the rest. For the most part, they talked about games theory.

Chess

Games theory, as you are no doubt aware, is a branch of learning which studies bargaining situations and power plays. It involves, just as a game of chess does, the idea that any move one player makes will elecit a counter-move. In chess the aim is to make effective counters impossible; it is a winner-takes-all game. Economic co-existence, on the other hand, ought to be a game at which both sides can win. Why, then, do we often play it as if it were chess?

By deploying some mathematics far above the head of this reporter, the conference agreed on some answers (which cynics may well regard as news in itself, since the participants were economists). Cery crudely, co-operation can be secured only under some kind of threat. As in other games, a player who cheats will gain if he is allowed to get away with it. If, however, he is convinced that he will not be allowed to get away with cheating he will turn enthusiastically to help to enforce the rules, so that total gains increase.

What this boils down to is that the enforcement of rules is likely only if there is some parity between the players. The U.S., in particular, can get away with thoroughly unneighbourly conduct for quite as long as is needed to win a presidential election if it is faced with parmers—or rather, in this context, opponents—who are individually too small to impose any hurtful counter-measures. Heads of state and finance ministers can fly to Washington with their grumbles in an endless relay, and it makes no difference.

Blackmail

The EEC as a whole, on the other band, is big enough to make credible threats. It might say, for example, that if you do not do something about your deficit, and stop diverting all our savings overseas, we will form a two-tier financial market, or impose in interest equalisation tax—do something, in short, which would simultaneously undermine the dollar by impeding the flow-back of deficit dollars, and force U.S. interest rates still higher. Then the U.S. might find it domestically more advantageous to make policy co-operatively, taking account of the interests of outsiders.

The sermon does not sound so moral any more; it sounds more like blackmail in the early stages. Rules are also suggested for ensuring that threats are credible. They must threaten self-interested action, so that the probability of their being carried out seems high—nothing of the hunger-strike, or if-you-go-on-like-this-I'll-shoot-myself go - on - like - this - I'll - shoot-myself variety. And if the worst comes to the worst, they must be carried out. No U-turns. (For students of the jargon, this branch of atrategy is known to professionals as the time-consistency problem.)

Tough talk, in a phrase; but perhaps the more persuasive for that.

Letters to the Editor

U.S. policy and recovery

From the Group Economic Adviser, Barclays Bank

Sir,—The aim of my letter (June 28) was not to deny that fiscal policy has contributed to the American upturn but to suggest that it was not "ridiculous" to argue that other factors have been equally if not more important. Even after the tax reductions of 1981 and 1982, most forecasters underestimated tha strength of the U.S. recovery. For example, in December 1982 the OECD forecast that real American gnp in the first half of 1984 would rise by 3½ per cent per annum, whereas the increase has been about 7½ per cent.

None of my critics has referred to the behaviour of the U.S. money supply in real terms, the turning points in which have preceded those in real activity. After falling in 1980-81, real M2 rose by 3 per cent in 1982 and by about 9 per cent in 1983. It is important to note that, especially if an adjustment is made for the effect of deposit deregulation, the strength of real M2 growth is attributable more to the fall in the U.S. inflation rate than to the speeding up of nominal money growth. The behaviour of American wage costs, on which Professor Maynard (June 29), rightly in my view, places emphasis, has played the vital role here as well as in the restoration of profitability.

Professor Godley (June 29) appears to believe that the difference between the strength of the upturn in the U.S. and that of Britain in 1983-84 has been due mainly to restrictive fiscal policies pursued in Britain in 1979-81. This seems to imply much longer time lags than the one-two years which other economists usually envisage. Even if we begin with the much-derided British Budget of 1981, the increase in the total inflation-adjusted structural deficit for the three years 1981-1983 represents exactly the same proportion of gdp (2.2 per cent) in Britain as in the U.S.

Professor Godley's statement that the "theoretical expectation is that, *ceteris paribus*, a 1 per cent increase in the structural deficit will ultimately generata an increasein real gdp of 2 per cent or more" is a remarkably confident one. Other economists would say that the ultimate consequences will depend on empirical factors. These include the degree of monetary accommodation and the extent to which the rise in money incomes brought about by fiscal expansion is dissipated in inflation, in which the response of wages is crucial.

Like Professor Maynard, I believe that it is the latter point which mainly explains the different reactions of the British and American economies.

Finally, Sir Douglas Wass (June 29) has my full agreement when be writes that, whatever the validity of inflation-adjustments to Budget deficits, the response to an increase in inflation should not be an increase in public borrowing if the object is to bring inflation down.

(Professor) Harold Rose.
54, Lombard Street, EC3.

Share schemes for employees

From Mr J. Carrall,

Sir,—Mr Cohen (June 16) reiterates his view that, under a future Labour Government, participants in employee share schemes "who have exercised their options but not yet sold their shares might find themselves paying income tax on their profits." He argues that this would not need to be brought about by retrospective tax laws (as I suggested on June 7). Such a change would only be "partially retrospective" and even Conservative Governments make partially retrospective changes in tax laws.

Where I still disagree with Mr Cohen is that *such a change* would in my view be retrospective in the full aense, namely that it would impose a tax charge on an event which would have already occurred. Since 1966 employees have been charged to Schedula E income tax on the gains they have made on exercising share options. It has been the exercise of the option which has triggered off a tax charge. In 1972 the tax charge was removed by a Conservative Government for Inland Revenue-approved schemes only to be restored by a Labour Government in 1974. This year's Budget again removes the tax charge for Inland Revenue approved schemes. Thus, if Labour wants to cancel the tax advantages of share option schemes, the simplest and the most logical way of doing this would be to restore the tax charge on exercise. This would mean that options exercised before the change would be unaffected—whether or not the employee has sold the shares acquired—which is precisely what happened in 1974.

Admittedly, Labour could make the tax charge extend to options exercised before the change. Or they could achieve the same result by creating an entirely new income tax charge—as Mr Cohen suggests—on sales of shares acquired under share option schemes. Both these changes would be retrospective in the full sense, since the event which gave rise to the profit that is being taxed, namely the exercise of the option, would have occurred before the change in the law. I do not think that such action is impossible; merely that it is unlikely in relation to schemes which have been deliberately fostered as part of Government polirу. Concern on this score should not deter companies from setting up share schemes for their employeea.

John Carrell,
Saddler's Holl,
Gutter Lane,
Cheapside, EC2.

Wedgwood: capital spending, profitability and the recession

From the chairman, Wedgwood

Sir,—The article "Reagonomics helps to pull Wedgwood out of the recession" which appeared on June 28, contains *certain mis-statements* of fact. I should like to make the following comments on these and other points.

The highest figure of capital expenditure on plant and equipment by Wedgwood in the five years to March 1984 was £4.5m in 1979/80, not the £7m-£8m referred to in your article. Capital expenditure did not saddle Wedgwood with substantial debts. Inflation caused a rapid rise in the need for working capital which, because of the very high rates of interest ruling in this country, Wedgwood decided to finance by additional short term borrowing rather than incur long term debt at uneconomic interest rates.

We do not "play the foreign exchange markets." We decided to take advantage of the best available interest rates consistent with carefully assessed risks of exchange movements. This policy has been extremely successful and has resulted in major savings in financial costs in every year except 1983 when there was neither a gain nor a loss in comparison with the cost that would have been incurred had all borrowings been in sterling.

Our current capacity to produce more with a reduced labour force is due mainly to our consistent policy of updating our plant and equipment and the consequent capital expenditure of which your article appears to be so critical and describes as "lavish."

Your article refers to "some colleagues who argue that capital spending should be accelerated to take advantage of investment allowances." None of the directors or senior executives of Wedgwood advocates acceleration of capital expenditure to take advantage of the 1984 Budget investment allowance changes. Of course, an otherwise sound, cost-effective capital expenditure project might be brought forward to qualify for the higher first year allowances but this would be done for other reasons.

Most of our divisions producing earthenware today are very profitable and the product continues to be attractive and popular.

Contrary to the suggestion in the article, cheap imports from less developed countries were a problem for our West Coast subsidiary.

The Australian government has operated protective tariffs for many years, although admittedly there does appear to to be no prospect of these being raised in the near future.

Wedgwood is one of many managing agents operating a youth training scheme in Staffordshire. Out of about 190 youngsters starting in our scheme last year, well over half have now obtained full time jobs with us. By the end of the first year's operation of the scheme, we expect to offer jobs to nearly all of these trainees. Of the very few who have left our employment, most have secured jobs elsewhere with the benefit of their training at Wedgwood. Moreover, we continue to take on new permanent staff. We would like to recruit skilled or extra-skilled craftsmen or women but generally speaking they are not available, hence our long-established sophisticated training systems, which have proved ideal for adaptation to the youth training scheme and have been our source of creating skilled people.

Finally, we would point out that we have been selling Wedgwood in U.S. for more than two centuries (but never, incidentally, s much as 40 per cent of our output except in the war years 1940-45). This has been the case whatever the U.S.$/£ exchange rate has been, whether the dollar was $4.02 in the 1940s, $1.56 in 1976, back to $2.40 in 1981, or currently $1.35. Throughout those years we hava traded profitably in the U.S.

(Sir) Arthur Bryan.
32-34, Wigmore Street, W1

FINANCIAL TIMES
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FIVE NATIONS SEEK AGREEMENT ON FIGHTER

French demand lead in jet project

BY DAVID MARSH IN PARIS

DASSAULT-BRÉGUET, France's state-controlled military aircraft company, has made an uncompromising call for French technical leadership of the proposed five-nation project to build an advanced jet fighter for the 1990s.

The statement, from M Benno-Claude Vallières, the Dassault-Bréguet chairman, comes just before a crucial meeting of defence ministers from the countries concerned – France, Britain, West Germany, Italy and Spain – in Madrid on Monday to try to work towards a firm deal.

Franco-British disagreements on specification and work-sharing have so far held up progress on an accord, which would rank as one of the biggest examples of European industrial collaboration with orders worth at least $15bn for the five countries' industries.

M Charles Hernu and Mr Michael Heseltine, the French and British defence ministers, failed to resolve differences on the project at a meeting near Paris a fortnight ago. They are to meet again in London tonight to try to overcome discord before the Madrid gathering.

French Defence Ministry officials yesterday acknowledged that the earlier meeting had been difficult, but termed relations between the two ministers as "warm". France was determined to achieve a compromise agreement on the fighter deal with "balanced" work-shares among the five countries.

M Vallieres, in an interview with the Financial Times said: "We are completely ready to transfer knowledge and experience to our partners, but it is normal that we should have the leadership of the project in the interest of keeping down costs."

Dassault-Bréguet, which builds the Mirage fighter range, is already building an experimental prototype to serve as the model for the future European fighter, to rival another design by British Aerospace.

Pointing out the difficulties of reaching accord on uniform specifications for the aircraft, he said: "I fear it will not be the same plane for everyone. There is a risk it will end up costing a great deal.

"There are differences in technical knowledge among the five countries. It just happens that France has a lot of experience in making delta-wing fighters."

He said a key condition was that "a common research department should be set up in the Paris area with engineers from the five countries. That is not to say that if an engineer from one of the other countries has an idea we will not be interested. But we need a central design department to control what is going on."

On the work-sharing, M Vallières said construction would probably be split on the basis of the different countries' purchasing plans. Although that has not been finalised, France has provisionally indicated interest in 250 aircraft for the air force plus 80 for the navy.

Britain and West Germany have each indicated purchases of around 200 fighters, with Italy and Spain interested in about 100 each.

"The aircraft has to be viewed as a complete system," M Vallieres said.

"It is not just a question of cutting up shares for the airframe. It is also necessary to look at all the electronics and control equipment, too."

He added that the aircraft would need a new engine and the RB-199 advanced by Britain would not be suitable as it would be out of date by the mid-1990s. Additionally, test flying would need to be carried out at France's established test base at Istres near Marseilles, to cut costs and achieve best organisation.

India may manufacture Soviet fighter, Page 4

UK offers Oslo new deal on Sleipner gas field

By Dominic Lawson and Ian Hargreaves in London

THE BRITISH Government has told Norway the changes it wants in British Gas's proposed deal to buy £20bn ($27bn) worth of gas from Norway's Sleipner field. But the UK Treasury and the Department of Energy have still not resolved their internal disagreement over the future of gas exports from the UK.

The new deal, put by Alick Buchanan-Smith, the British Energy Minister, to his Norwegian counterpart, Mr Kaare Kristiansen, involves a reduction in the peak amount of gas Britain buys, from 38m cubic metres per day, to just under 30m cubic metres per day.

The effect would be to lengthen the production peak of Sleipner by several years. This would make the field less profitable to its owners, Statoil, the Norwegian state oil company, Esso and Norsk Hydro.

Statoil and its partners will refuse to accept a lower rate of return, and it is likely that they will want the extra development cost, between 5 and 10 per cent, to be borne by the British Gas Corporation. This means that the deal, already destined to be the biggest ever signed between the UK and another country, could cost the UK an extra £2bn spread over the life of the field.

The Norwegian Government is unwilling to consider the alternative of tax concessions to the field's owners, since next year sees the Norwegian general election and the Conservative Government is unwilling to be seen as having lost Norway £2bn.

Mr Buchanan-Smith last Wednesday also put to the Norwegians a series of conditions that the UK Government wants to be enshrined in a sovereign treaty between the two countries. This will be quite separate from the actual gas deal between British Gas and Statoil.

The British Government has surprised the Norwegians by insisting, at this late hour, that the 50m tons of condensate (naturally occurring liquid gas) in Sleipner, be transferred by pipeline to the Flotta terminal on Orkney, off the north coast of Scotland, rather than to Teesside in the north-east of England, via the Norwegian pipeline to the Ekofisk field.

Another demand of the British Government is that the UK fields should be given priority in the use of spare capacity in the 40-inch Sleipner pipeline. The Norwegians are not thought to be antagonistic to this proposal.

London also wants "fair opportunity" for UK goods and services to be part of the sovereign agreement. The Norwegian Government is currently leaning on British Petroleum to switch already agreed for the Norwegian Ula field from British to Norwegian companies. The UK Government is therefore particularly concerned to get built-in guarantees on non-discrimination over the Sleipner deal.

THE LEX COLUMN

Holding a Mirror to Mr Maxwell

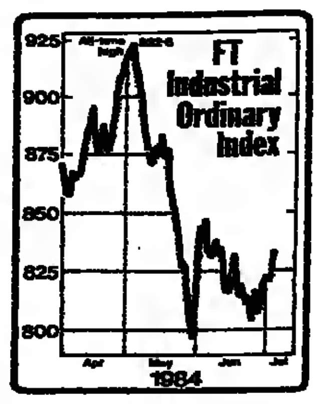
There can be few more persistent ambitions than Mr Robert Maxwell's desire to own a national UK newspaper. In the past six months alone he has unfolded plans to start a new evening paper in London, discussed the ownership of the Observer over breakfast with Mr Tiny Rowland, and actually bought 10 per cent of Fleet Holdings from Mr Robert Holmes à Court.

Yesterday's widely predicted attempt to divert the Mirror Group from the slipway – in the last weeks before its flotation – may appear scarcely more than a logical culmination to this activity. In fact, two trains of events have converged to make it plausible for Mr Maxwell to mount a raid on the Mirror.

In the first place, over the past couple of years his own companies have enjoyed a remarkable recovery. This was crowned last month by the refinancing of BPCC, when the Bishopsgate investment trust was acquired and its portfolio broken up. The effect of this was to remove virtually all debt from the BPCC balance sheet – a complete ruin when Pergamon took it over as an alternative to receivership – and substantially to improve the gearing of the consolidated Pergamon balance sheet. The parent company now has in the region of £80m net liquid resources, over and above its investment in BPCC. So the Mirror offer – between £80m and £f00m – is certainly financeable.

At the same time, the Mirror's progress towards an independent stock exchange listing has not run as smoothly as Reed must have hoped. Earnings last year were disappointing, and the value of its stake in Reuters, finally established by tha markets, is nowhere near as high as seemed likely when the Mirror float began to be discussed. In addition, there has been talk of management friction, and the retirement of a key director. The result, as with Reuters, has been that the market has successfully started *to talk down the valuation of Mirror* Group as the publication of its prospectus draws closer.

Although Reed has done deals with Mr Maxwell before – disposing of its loss-making Odhams plant to BPCC – there seems little probability that they will strike a bargain over the Mirror. Reed has repeated its intention of proceeding with the preparations for listing the Mirror shares and so ensuring that MGN has the opportunity to maintain its independence. Difficulty over the



design of suitable safeguards for this independence has presumably been one reason for slippage in the flotation timetable.

Whatever the embarrassment to Reed – and it must be wondering how to provide MGN with a balance sheet that will support its heavy investment plans – the Maxwell cash at present seems likely to prove resistible. The market's views showed in the Reed share price, up 6.5 per cent to 458p; but that doubtless reflects the floor which Mr Maxwell seems to have put under the Mirror price more than his chances of success.

Sealink

Three months of intense negotiation over the draft contract of sale for the Government's next privatisation ought at least to be some protection against an unwelcome bid from RTZ at the last moment. But the auctioning off of Sealink from its British Rail parent – for which final bids must be submitted by tomorrow – has now dragged on for two years or more and it is a sad comment on the whole process that it should now be coming to a head just before Sealink's critical peak season. The half dozen potential purchasers, none of whom has yet made a firm bid, will certainly not be reaching a decision or a bid price on the basis of any profit projections for the current year.

It should help them that the initial requirement for all bids to be unconditional appears to have been tacitly abandoned on all sides. It could hardly be otherwise, given that detailed agreements with BR over future harbour contracts and post-1984 freightliner terms have been left open for post-sale negotiation. Much the same seems to apply to the precise conditions which the Government may wish to impose on the successful purchaser. After the little recent misunderstandings, some nervousness on this score might be understandable: but each of the interested parties has had omple time to clarify the issues, so the timetable calling for a sale agreement two weeks from tomorrow should still be on.

The shape of the balance sheet, anyway, should cause no further delay. BR is understood to have accepted the conversion of its £74m loans to Sealink into equity. There has also arisen a surplus of £25m on property revaluations, leaving total shareholders' funds at £127m and net borrowings around £70m, mostly secured on the fleet. The realistic net worth of the group, however, must be adjusted to take account not only of about £15m losses for the six months to June, but also of future closure costs and substantial reorganisation expenses. The final net figure could surely not far exceed £80m at the most.

How soon the reorganisation can be effected will clearly be the main determinant of Sealink's future profitability. Tax losses to be carried forward will be some help, but the scale of the task ahead will amost certainly be thought grounds for a useful discount to net worth in the bid prices. Sealink's current trading performance will not do the vendor much good. With Irish freight traffic down 15 per cent or so and Sealink apparently not benefiting much if at all from higher traffic across the Channel, this year's trading profits could still fall short of the group's interest on external borrowings.

Most of the government's nightmares over Sealink to date have involved the separation of its accounts from those of its parent, but presumably a round of bids much below £45m has also featured in some less happy dreams. Evaluating Sealink's potential in line with the sort of returns and market rating enjoyed by European Ferries, the City has had no difficulty reaching figures over £170m. No-one supposes Sealink could fetch anything like that; but few doubt either that Euroferries' inclusion in the auction would have lifted bids significantly higher. The decision to rule both Euroferries and P&O out of court on monopoly grounds could yet prove another ill-timed embarrassment for the privatisation programme.

Irish milk run dodges EEC rules

By Ivo Dawnay in Brussels

THE infamously inventive alliance between farmers in Northern Ireland and the Irish Republic has now devised an elaborate system of "milk smuggling" as an effective way of dodging EEC rules aimed at containing dairy production.

Reports from Ulster suggest that chinks in the Community's "superlevy" controls are wide enough for tanker loads of milk to cross the border in both directions, all delivering loads unaccounted for by national quotas.

The scale of the traffic recalls the notorious "carousel" of the f970s when lorryloads of meat and livestock earned thousands of pounds in EEC subsidies at frontier checkpoints by repeatedly crossing the border and returning for further handouts via unguarded back roads.

Like the carousel, the new ruse is based on differences between the UK and Ireland in the application of Community rules.

While in Northern Ireland ceilings on milk production are imposed at farmer level, those in the south are enforced at creameries.

The republic's success at the farm reform talks in Brussels last March in negotiating an extra 245,000-tonne milk quota has meant some Irish creameries are failing to meet their production targets. Consequently, milk is now being collected in Northern freland and driven over the border for sale in the south.

Furthermore, though the bulk of the traffic is going to the republic, there are unconfirmed reports that some Irish producers are selling to Ulster creameries when their local co-operative looks like exceeding its ceiling on deliveries.

As the quotas in Northern Ireland are at producer level, this Southern frish milk is therefore conveniently "laundered" into the legitimate market without any evidence of quotas' being exceeded.

One European Commission official said: "When supply is looking for demand on one side of the border and processing capacity is looking for supply on the other, with an uncontrollable border it is not a question of how it will happen, but when?"

frish Ministry of Agriculture officials this week attempted to play down the scale of the illegal traffic.

fronically, however, the Community decision to abolish frontier taxes on farm produce has worked in favour of the milk rustlers by reducing border bureaucracy.

So far, the European Commission appears unaware of the frish cross-border milk traffic, and even if it were, it would be difficult to introduce adequate policing.

The end of this particular agricultural ingenuity is likely to come soon, however, when the new quota for the Irish Republic is filled and southern producers take up the slack currently being filled by their co-operative colleagues in the north.

Daimler-Benz drops expansion plan but aims to hold output

BY JOHN DAVIES IN FRANKFURT

DAIMLER-BENZ, the West German motor vehicle producer, hopes to match last year's car output after abandoning expansion plans because of the lengthy labour conflict over shorter working hours.

It is also striving to maintain dividend continuity "as much as possible" despite a dent in operating profits.

Prof Werner Breitschwerdt, the chief executive, said yesterday Daimler-Benz had hoped to turn out more than 520,000 cars this year, aided by extra capacity at its Bremen plant, but after losing nearly 65,000 cars in more than six weeks of dispute the company would strive now to reach last year's output of 476,000 cars.

The company would no longer be able to match last year's production of 173,500 commercial vehicles at its West German factories, as originally planned. This was not only because it missed out on producing f7,000 commercial vehicles during the dispute, but also because it had lost orders and market share abroad.

Daimler-Benz, like BMW, Audi and Porsche, was shut down within days of the decision by metalworkers to go on strike at companies supplying vital motor vehicle parts in May.

The dispute about demands for a cut in the working week from 40 to 35 hours eventually crippled almost all the vehicle industry, the only notable exception being Ford, which carried on some assembly work.

With a settlement reached on the basis of a 38.5 hour week, production resumed at Daimler-Benz and most other car makers this week. BMW will resume work next week.

Prof Breitschwerdt told the shareholders' annual meeting in Stuttgart the company missed out on sales revenue of DM 3.5bn ($1.26bn) because of the strike. Operating profits suffered a setback which could not be made good in the rest of the year.

He said, however, Daimler-Benz would strive to ensure that shareholders felt as little impact as possible. The company had always set dividends with an eye to medium-term profit trends and this remained the goal.

Daimler-Benz paid a dividend of DM f0.50 on last year's results. Although it omitted the DM 1 bonus of the previous year, it paid a full dividend on a capital increase made towards the end of last year.

Daimler-Benz lifted world sales revenue 2.8 per cent to just over DM 40bn last year, with group net profits up 7.2 per cent at DM 988m.

Prof Breitschwerdt said car sales revenue last year exceeded revenue from commercial vehicles for the first time in ten years.

World demand for commercial vehicles would grow, however, even though immediate prospects were much less favourable than for cars. The company would continue to attach equal importance to the two sectors.

Daimler-Benz was continuing to introduce its compact class f90 car to export markets, with sales beginning in Japan and Australia in a few months.

Prof Breitschwerdt said the recent labour conflict would have a dampening effect on production and consumer spending in West Germany this year.

BL to appeal against fine, Page 2

Maxwell bids for Mirror

Continued from Page 1

control of Pergamon Press, the technical publishing house he had earlier run in the 1960s, but which he lost control of after an abortive bid by Leasco for Pergamon in f970.

That affair ended in a torrent of recriminations and led to a highly critical Department of Trade fnspectors' report. Mr Maxwell retired from the scene for a while but Pergamon floundered without him and eventually he was able to buy the company back cheaply.

In the subsequent decade Mr Maxwell has steadily expanded and developed Pergamon's activities, which now extend far beyond the original lucrative base of technical journals.

Pergamon has more recently moved into the computer age, developing specialised databases – especially patent information through Pergamon InfoLine.

Profits of Pergamon, excluding quoted subsidiaries, reached £11m in 1983 before tax, a comparatively modest advance over the £10.3m of f982, being held back by research and development and reorganisation costs.

In the recent annual report, however, Mr Maxwell indicated that as a result of advance subscriptions and pre-publication orders received he was able to predict a Pergamon profit figure of over £15m pre-tax for f984.

There have been hints that Pergamon might be brought to the stock market, where despite Mr Maxwell's controversial reputation it might be expected to have a high valuation – probably well over £f00m. Control rests with the Maxwell family through an ultimate holding company in Liechtenstein, Pergamon Holding Foundation.

That valuation excludes the worth of the controlling interest held by Pergamon in British Printing and Communications Corporation (BPCC), a stake currently valued at some £f70m.

The build-up of the BPCC stake and the astonishing turnround in the fortunes of that company have formed the second main stage of Mr Maxwell's re-emergence as a powerful figure some f5 years after he tried and failed to buy the British popular Sunday newspaper, the News of the World.

His activities at BPCC have been concentrated within the past four years or so, since he first swooped on the ailing printing group in a dawn raid in f980.

BPCC tried to fight him off but in 1981 Pergamon took control through a capital reorganisation and injection as BPCC (or BPC as it was then known) came close to bankruptcy under the burden of huge debts.

Mr Maxwell immediately implemented a drastic "survival plan" and engaged the print unions head-on in process of rationalisation and closures that changed the face of the British printing industry. In the process, BPCC has returned to substantial profitability, recording £22m before tax for f983.

The debts have only recently been paid off by means of a disguised rights issue, in fact a bid for an investment trust, Bishopsgate Trust, which was bought for shares and then liquidated in the middle of last month for just under £50m.

A key event during the recovery process was a deal with Reed International in f982, whereby Reed sold to BPCC its troubled Odhams gravure printing plant at Watford, near London.

Now Mr Maxwell is again seeking to put the pressure on Reed and force it to do a deal, although this time cash is the lure rather than the promise to stem printing losses.

He is able to do so on the basis of a printing and publishing empire which now – after the Bishopsgate deal – has little debt and is fast improving its profits. ft is arguably worth more than $400m.

Mr Maxwell shut the Odhams plant and transferred the work to BPCC's nearby Sun Printers, thereby curing an overcapacity problem which had long dogged the gravure printing sector.

Mr Maxwell's offer for the Mirror Group, following closely on his purchase of f0 per cent of the shares of Fleet Holdings, publishers of the Daily Express, shows that he is swiftly moving to take advantage of his newly gained resources to buy his way into Fleet Street.

In recent years he has denied any ambitions to become a newspaper chief, claiming that he was concentrating on the scope for becoming a contract printer to the national newspapers. He has planned a newspaper printing plant in East London, and has held talks with several national newspapers – including the Daily Telegraph – to seek contracts from publishers trying to distance themselves from the costs and tensions of printing in Fleet Street.

Bonn restricts spending rise

Continued from Page 1

entitled to lift expenditure by 3.7 per cent to DM 49.3bn.

That nominal gain is practically wiped out by inflation. Although it provides room for the main modernisation programmes embarked upon by the Bundeswehr, including the Tornado aircraft and the introduction of the Leopard 2 battle tank, it falls well below the 3 per cent real annual increase in defence spending demanded by Nato of its members.

Peugeot drops engine plan

Continued from Page 1

duced at the Douvrin facility jointly owned with Renault, the state-owned French group.

The Douvrin engine has been substantially improved and is being used in the Peugeot 205, the group's most successful new car for some time and one that has replaced the Renault 5 as market leader in France in recent months.

Peugeot has also invested heavily in its own new 1.6 litre-1.9 litre petrol and diesel engines, which power the Citroën BX and Peugeot 305 models. ft also has a new gearbox facility at Lille, producing the so-called BE1 four and five-speed transmissions for a number of Peugeot, Citroën and Talbot cars.

The group is also part-way through a FFr f.2bn modernisation programme for its Poissy car plant outside Paris for the production of a new model, the "C28" to replace the Talbot Horizon.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	S	23	73	Dubrovnik	S	24	75	Malaga	S	26	79	Salzburg	C	12	54
Akrotiri	S	31	88	Faro	S	25	77	Malta	S	31	88	Seoul	R	24	75
Algiers	S	25	77	Florence	S	27	81	Manila	C	31	88	Singapore	S	30	88
Amsterdam	R	12	54	Frankfurt	C	15	59	Miami	R	23	23	Stockholm	C	18	64
Athens	S	32	90	Funchal	S	24	75	Milan	–	–	–	Strasbourg	F	16	61
Bahrain	S	38	100	Geneva	F	20	68	Moscow	C	18	64	Sydney	R	9	48
Bangkok	S	34	93	Gibraltar	S	23	73	Munich	C	11	52	Tangier	S	29	64
Barcelona	F	23	73	Guernsey	S	18	64	Nairobi	C	22	72	Taipei	S	30	84
Beirut	–	–	–	Helsinki	F	18	64	Naples	F	27	81	Tehran	–	–	–
Belgrade	C	17	63	H. Kong	F	31	88	New Delhi	S	33	92	Tel Aviv	S	32	90
Berlin	D	12	54	Innsbruck	F	14	57	New York	F	23	73	Tenerife	S	28	82
Biarritz	S	22	72	Inverness	C	13	55	Nice	S	29	29	Tokyo	S	33	91
Blackpool	S	16	61	Istanbul	S	26	79	Oporto	F	20	68	Toronto	C	21	70
Bordeaux	S	22	72	Jersey	S	19	66	Oslo	C	21	78	Tunis	–	–	–
Brussels	C	13	55	Jo'burg	S	16	61	Paris	C	20	68	Valencia	F	27	81
Budapest	F	17	63	Las Palmas	S	25	77	Prague	C	12	54	Venice	S	22	72
B. Aires	C	11	51	Lima	F	20	68	Reykjavik	C	12	54	Vienna	T	14	57
Cairo	S	36	97	Lisbon	S	25	77	Rio de J'o	C	30	88	Warsaw	R	13	55
Cape Town	C	13	55	Locarno	–	–	–	Rome	S	31	88	Zurich	–	–	–
Caracas	C	26	79	London	–	–	–								
Casablanca	S	24	75	Los Angeles	F	18	64								
Copenhagen	C	17	63	Luxembourg	C	14	57								
Corfu	S	29	84	Madrid	S	29	84								
Dublin	S	18	64	Majorca	S	28	82								

Readings at mid-day yesterday.

C–Cloudy D–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

Framatome stake move

Continued from Page 1

power building and from scarce foreign orders.

The Government would almost certainly require that any foreign purchaser maintain the bulk of Framatome's existing links with Creusot-Loire. In particular, the Government would want metal fabrication for the nuclear reactors to be maintained at Le Creusot in central France both to preserve jobs and to avoid dependence on foreign suppliers.

The Government is now studying with French groups the possibility of them temporarily managing different parts of Creusot-Loire's widespread activities which range from the nuclear industry to armaments and the manufacture of steelmaking equipment. One possibility is that Framatome itself might run parts of Creusot-Loire's nuclear interests.

Paris is, however, keen to preserve the identity of the group. It does not want asset sales that would put at risk the total forge and foundry operations at Le Creusot.

Government officials concede that the cost of salvaging Creusot-Loire's activities now is likely to be higher than the sums demanded of the state and banks by the Creusot-Loire board.

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SECTION II – INTERNATIONAL COMPANIES
FINANCIAL TIMES
Thursday July 5 1984

Canada tells banks to lift provisions on Third World debt

BY BERNARD SIMON IN TORONTO

THE CANADIAN Government has asked the country's banks to increase their provisions for non-performing loans to several Third World countries, and is to tighten the rules on banks' disclosure of overdue principal and interest payments.

The new disclosure rules come into force at the beginning of the banks' 1985 fiscal year in November. An official of the Inspector-General of Banks' office in Ottawa said targets for higher provisions on loans to about three dozen countries have been conveyed to the banks, but he declined to give details of the targets.

The five largest Canadian banks have a total exposure of over C$30bn (U.S.$22bn) to developing countries, including Argentina, Brazil and other "problem" borrowers. They raised their loan loss provisions by 21 per cent to C$2.7bn in 1983, while total non-performing loans jumped by 41 per cent to C$8.6bn. The current level of non-performing loans is estimated at close to C$10bn.

Under the new disclosure rules contained in a letter from the inspector-general, the banks will be required to classify loans to sovereign and other borrowers as "non-accrual" if interest payments are 90 days overdue. Exceptions will be made if the banks consider that there is "no reasonable doubt" that principal and interest will be paid later. But according to the official at the Inspector-General's office, "we'll be watching that and taking a hard stand on anything that's more than 90 days overdue."

The changes have been under discussion for almost two years, and reflect efforts to bring more uniformity to Canadian banks' treatment in their accounts of overdue loans. The banks' definition of non-productive loans has varied widely, and there is little consistency in disclosure standards.

Of the five, Royal Bank and Toronto-Dominion Bank are generally regarded as being most open in their disclosure of problem loans.

The new guidelines stipulate that when a loan is designated as "non-accrual," all interest payments previously included in income but not yet collected must be reversed, thus reducing current income. If interest payments are received at a later date, they will be added to income on a five-year averaging basis, except where the loan is to a sovereign borrower, the banks already use a five-year average to apply the cost of loan losses to income.

Circle K pays $100m for General Host unit

BY OUR FINANCIAL STAFF

GENERAL HOST, the U.S. garden centres and food processing concern, has agreed in principle to sell its Little General Stores division to Circle K, another U.S. group, for about $100m in cash.

The companies said the transaction was subject to execution of a definitive agreement, formal approval by the respective boards and receipt of appropriate government clearances.

Little General Stores, which operates 440 stores in the southeastern U.S., had 1983 sales of $182m.

Hughes Tool cuts dividend by 43%

By William Hall in New York

HUGHES Tool, which is one of the world's biggest manufacturers of oil drilling bits and which has been hit by the slump in the U.S. oil services industry, is to take a $175m pre-tax write-off in the second quarter and has announced that it is cutting its dividend by 43 per cent.

The group took a $74.1m write-off and reported a net loss of $90.8m in 1983 – its first loss in over 50 years. In the first quarter of the current year it reported a net loss of $14.5m but maintained its quarterly dividend.

The $175m provision covers the phasing out of certain product lines and the write-down of certain fixed assets and inventories that are surplus to anticipated requirements at current levels of activity, according to the company. Full details of the write-offs will be disclosed when the group announces its second-quarter results on July 17.

Hughes would not elaborate on its short statement yesterday but industry analysts say that, like other oil services companies, it was found that the anticipated upturn in the U.S. industry is taking far longer than expected to materialise.

Most analysts had expected the company, which is one of the financially stronger groups in the industry, to hold its dividend. However, the company said yesterday that it "felt it was more prudent to reduce the dividend until the company returned to profitability, even though the company's cash flow would permit a continuation of the dividend at current levels." The dividend has been cut from 21 cents to 12 cents, effective next quarter.

Mr J. R. Lesch, Hughes Tool's chairman, said yesterday that in addition to taking the write-off, the company was reorganising and consolidating its regional management. The number of operating divisions has been cut from 11 to five.

TESTING TIME FOR A U.S. CORPORATE CHAMELEON

How Gould switched to electronics

BY STEFAN WAGSTYL IN LONDON

GOULD, the former Chicago battery company that has turned itself into a leading industrial electronics concern, is facing an extreme version of a challenge familiar to other U.S. corporate chameleons.

Through acquisition and disposal, including the sale in April of the original U.S. and Canadian battery business, Gould has completed "one of the most substantial restructurings in corporate history." But can the company now sustain the momentum to keep the whole growing as fast as its separate parts?

The question may fairly be asked about a company that has transformed itself twice in 20 years. First it grew from a small battery business in the late 1960s to an industrial conglomerate with sales of $2bn in 1980. Then in 1980-84, it changed again, selling the stakes it had acquired in old industries and instead buying up high-technology companies.

Wall Street analysts, who are used to seeing U.S. companies change direction by shuffling paper, were surprised by the scale of Gould's transformation. Mr Charles Hill, electronics analyst with stockbrokers Kidder Peabody, said: "There are others who have tried it, but nobody has gone as far as Gould. No company has so completely changed its business or its management."

Altogether Gould bought nine high-technology companies to add to the 10 it already owned. Most important, it bought a minicomputer maker, Systems Engineering, and American Microsystems, a Silicon Valley semiconductor producer.

In 1979 only a third of Gould's sales were in electronics. This year, after the sale of the battery business, electronics will account for almost every dollar Gould makes. As well as minicomputers and microchips, the company manufactures factory automation equipment, measuring instruments, medical equipment and defence gear, including the U.S. Navy's main torpedo.

A crucial element of Gould's transformation has been choosing closely defined markets where it could take the number one or two position and where there would be little competition from the industry's giants. Gould's microchips, for example, are custom-built to meet the specific demands of a wide range of customers and are not of the mass-produced kind. Minicomputers are sold for flight simulation design shops and laboratories rather than for commercial offices, where sales are dominated by IBM.

Mr David Simpson, president and chief operating officer, said in London recently that shareholders complained when Gould paid out "top money for top companies." But there was never any protest about the strategy.

Mr David Simpson: faces challenge

Internally it was a different matter. Management style has had to change and those who did not like it had to go. The old Gould was built up by tight control over money, margins and managers. The new Gould has to accommodate electronics entrepreneurs and engineers who would baulk at such treatment, and take themselves and their ideas elsewhere.

In an attempt to solve this problem, the company decentralised, cutting head office staff from 400 to 175. It organised its separate operating companies into four sections, each with its own board, setting annual budgets. Gould succeeded in retaining most of the senior managers in the companies it acquired and attracted new blood from top management studs such as IBM and Hewlett-Packard.

Four years ago, Wall Street analysts had their doubts whether Mr William Ylvisaker, Gould's chairman since 1967, could turn his back on the old ways that had earned him a reputation for iron rule. Now they acknowledge that that has been one of Gould's crucial achievements.

However, as Mr Charles Hill of Kidder Peabody says: "The $64,000 question is what happens next." Having assembled a high-technology company, Gould must show that it can do more than just feed off its acquisitions. Last year, net earnings from continuing operations dipped slightly to $79.2m on sales of $1.3bn.

The future of some free-standing parts of the group seems secure. The copper foil company, for example, dominates, with one other producer, a world market growing at 28 per cent annually.

Other areas, however – notably computer-based products – would clearly benefit from greater co-ordination. Gould is gingerly feeling its way in that direction. A group ad hoc task force has been set up to develop a computer workstation – a high-performance personal computer with advanced communications functions – which could then be adapted using different software for a range of markets. But in practice the work is being done at one division – the former Systems Engineering.

If one market is more important to Gould than the rest it is factory automation. It is here that the pre-1980 Gould developed its early skills in electronics, including developing some of the world's first programmable controllers. Gould is increasing co-operation between divisions in this market – its electronic products are all built to connect with each other – but there is no sign yet of specific joint venture within the company.

Mr Simpson says that in five years time factory automation will be Gould's single biggest business. The market, which is predicted to grow at 24 per cent a year, was estimated at nearly $1bn last year and is expected to be worth $2.9bn in 1988.

The U.S. is Gould's main market in every field, accounting for 75 per cent of total sales last year.

Lonrho gains new seats on House of Fraser board

BY JOHN MOORE, CITY CORRESPONDENT IN LONDON

LONRHO has gained permission from Britain's Department of Trade and Industry to go ahead with plans to double its boardroom representation at House of Fraser, the Harrods stores group.

The surprise move was announced yesterday by the Trade Department. In the last few weeks the Department has been locked in discussions with Lonrho over the undertakings which would be required from the group while a new Monopolies and Mergers Commission study is being prepared on Lonrho's battle for control of the stores group.

Lonrho is House of Fraser's largest shareholder with a 29.9 per cent stake and has two places on the Fraser board. These seats are taken by Lord Duncan-Sandys, Lonrho's chairman, and Mr Roland 'Tiny' Rowland, Lonrho's chief executive.

Lonrho has agreed with the Department of Trade that two resolutions seeking the election of two other Lonrho directors – Mr Paul Spicer and Mr Terry Robinson – can go ahead.

Prof Roland Smith, chairman of Fraser and the rest of the board, with the exception of the Lonrho directors, have argued with the Trade Department that the structure of the board and the group should not be changed while a new Monopolies and Mergers Inquiry is in progress.

Lonrho is also planning to oppose the re-election of Ernest Sharp, a non-executive director brought in by Fraser's merchant banking advisers S. G. Warburg, to help combat the Lonrho threat.

Lonrho has agreed with the Trade Department that no voting restriction would be placed on Lonrho's 29.9 per cent shareholding in respect of the two resolutions tabled for the election of its own directors. But Lonrho has been forced to give an undertaking to the Trade Department that it will not use its shareholding to oppose the re-election of Prof Smith at the forthcoming annual general meeting.

Mr Tiny Rowland is up for re-election to the Fraser board at the annual general meeting, as are Prof Smith and Mr Sharp.

INTL. COMPANIES & FINANCE

Casio 26% ahead to over Y8.8bn

BY ROBERT COTTRELL IN TOKYO

CASIO COMPUTER, the Japanese electronics manufacturer, yesterday announced consolidated sales of Y200bn ($835m), and consolidated net profits of Y8.88bn for the year to March 20.

Casio's consolidated sales were eleven per cent higher than in the prior year, while net profits showed a 25.6 per cent increase.

Casio's previously-announced parent company results for the 1983-84 period showed net profits just 13.7 per cent higher, at Y6.5bn, while sales were 9.4 per cent ahead, at Y176.4bn.

Mr T. Uemura, general manager of Casio's finance division, said yesterday that the higher *growth rate of consolidated* sales and profits reflected cost-cutting automation of the group's main domestic watch-making subsidiary, and a successful concentration on higher value-added products by the group's sales subsidiaries in the U.S. and Britain.

Casio expected to increase its consolidated net profit to at least Y10bn in the current financial year, on forecast sales of Y220bn, said Mr Uemura.

Breaking down sales for the year under review, Mr Uemura said the group's major product line remained its calculators, accounting for 46.8 per cent of sales. Casio estimates that it holds 45 per cent of the Japanese market, and 33 per cent of the world market, for electronic calculators.

Electronic watches accounted for 32.1 per cent of sales. Casio *says it is the largest* manufacturer of electronic watches in the world, with 68 per cent of the Japanese market, and 15 per cent of the world market. The remaining 21.1 per cent of Casio group sales was attributable to electronic office systems, and musical instruments.

Casio's sales for the year were 32 per cent domestic and 68 per cent overseas.

Mr T. Kohzai, the company's managing director, said the group was preparing the way for production of a colour television set with a liquid-crystal display (LCD). He indicated, however, that the product's selling price is still under review.

It was important, said Mr Kohzai, that the price should seem "reasonable" to the consumer. The world's first LCD colour television was unveiled two months ago by Seiko, at a projected retail price of Y84,800.

● Sankn Steamship, the ship charterer and tanker operator, yesterday announced that 80 private banks in Japan have agreed to postpone its repayment of loans totalling Y200bn as part of a three-year reconstruction plan launched last April, reports Reuter from Tokyo.

The banks had earlier agreed to postpone repayment of Y70bn in debts owed by a wholly-owned subsidiary of Sanko which had been set up last May to take control of 16 large tankers.

Sanko has also asked the Japan Export-Import Bank to postpone repayment of loans worth Y20bn the company said.

Industry sources said the bank is likely to accept Sanko's *request now that the private* banks have accepted postponement of repayment of their loans.

Ben shares halted amid takeover speculation

By Chris Sherwell in Singapore

BENN AND COMPANY, the Singapore food trading and processing concern which is a *67 per cent-owned* subsidiary of Straits Steamship, yesterday asked for its shares to be suspended on the local stock exchange following a three-day bont of speculative trading.

Reports circulated that at least two companies were interested in taking over Ben with the aim of acquiring a public listing. Ben acknowledged that negotiations were taking place with several parties as prospective joint venture partners.

If Ben is sold off, the move would marq the first significant rationalisatio uof Straits Steamship interests since the company was taken over in the middle of last year by the Singapore government-controlled Keppel Shipyard.

Keppel bought Straits Steamship from its British parent Ocean Transport and Trading, in a deal which valued the company at close to S$500m. It was one of Singapore's largest-ever corporate takeovers. Straits has since reported an after-tax loss, as has Ben.

Yesterday trading in Ben's 40-cents shares was halted with the price at S$1.04. Last Thursday it closed at 81 cents, little higher than the 1984 low point of 79 cents, but the price firmed last Friday and has surged upward this week.

The directors won a temporary suspension of the shares and promised a further announcement as soon as possible.

Straits Steamship insisted that *no outcome* of Ben's negotiations warranted the speculation that had hit the company's shares.

MBF Holdings in joint venture on leasing

By Wong Sulong in Kuala Lumpur

MBF HOLDINGS, the Malaysian finance and property group, is moving into the leasing business in Indonesia.

A Hong Kong-incorporated company, ...MBF ...Leasing (HK), of which MBF holds 57 per cent, has set up a joint venture company with a group of Indonesian businessmen.

The Leasing company will hold 55 per cent in the venture, P. T. Sejahtera MBF Leasing, which has been granted a provisional licence by the Indonesian Finance Ministry to start leasing business.

MBF Leasing HK will manage the venture's leasing operations in Indonesia for the first 10 years, after which majority control will be transferred to its Indonesian partners.

The third party in the deal is the Dawn Banking Group of the U.S.

At the same time MBF Holdings has announced it will acquire another Malaysian property company, Super Homes, for 18.5m ringgit ($8m) to be satisfied by an issue of 10.88m new shares.

Super Homes owns 30 acres of land in Kuala Lumpur for the building of 236 apartments and bungalows.

General Host in $100m sale

GENERAL HOST, the U.S. garden centres and food processing concern, hss in principle to sell its Little General Stores division to Circle K, another U.S. group, for about $100m in cash, Our Financial Staff write.

The companies said the transaction was subject to execution of a definitive agreement, formal approval by the respective hoards and receipt of appropriate government clearances.

Little General Stores, which operates 440 convenience stores in the south-eastern U.S., had sales of $182m last year.

Zimbabwe buys up locally held foreign shares

By Tony Hawkins in Harare

THE Zimbsbwe Government this week compensated holders of domestically-held foreign shares which it is buying to bolster its foreign exchange position.

The intention of buying the foreign equity held by residents and former residents in the form of a domestic pool of shares was announced at the end of March as part of the Government's package to correct its balance of payments deficit.

Bankers here say that the payout totalled some Z$230m (US$193m). There is still a further Z$50m to Z$60m to be paid out in respect of shares whose owners *are contesting* the legality of the move either in the South African or the Zimbabwean courts.

An estimated Z$12m-worth of shares are covered by some 50 court cases to be heard in South Africa and there are challenges due to be heard soon in the local courts as well.

Part of the payout will find its way almost immediately into the Zimbabwe Government's new 4 per cent, 12-year external bonds. These bonds have been created to enable former residents with funds blocked in the country to gradually withdraw their funds from the country in six equal annual instalments, starting in 1990.

Corporate investors with blocked funds can apply for the 4 per cent bonds with a 20-year maturity that will enable them to transfer blocked funds progressively from 1994 onwards.

It is estimated that about one-third of this week's payout will find its way into the 4 per cent bonds. In order to avoid an inflationary surge in the money supply the Reserve Bank of Zimbabwe has required banks to re-invest 75 per cent of the Z$230m payout in the Special Reserve Bank bills that are non-discountable and no not qualify as liquid assets for reserve ratio purposes.

It is assumed that the Zimbabwe Government will gradually dispose of the holdings of foreign equity

Gonfreville slides deep into loss

BY PETER BLACKBURN IN ABIDJAN

ETS R. GONFREVILLE, Ivory Coast's main textile manufacturer, has reported a net loss of CFA 798.7m (U.S.$2m) in 1983 compared with a similar sized profit the previous year.

Turnover fell 9.7 per cent to CFA 19.5bn due to a substantial drop in sales both locally and to other West African states.

Deep economic recession and competition from cut price Chinese and smuggled imports caused a 15.5 per cent drop in local sales to CFA 10.2bn. The closure of the Ghanaian and Nigerian borders led to a 10.4 per cent drop in West African sales to CFA 7bn.

As a resuut Gonfreville recently closed one of its production units at Bouake, laying off nearly 350 workers.

However, sales to Europe, mainly cotton yarn and unbleached fabrics, rose nearly 40 per cent last year to CFA 2.2bn.

Prospects are brighter for 1984 with turnover up 5.5 per cent during the first six months, the *company says*.

Exports to Europe have nearly doubled and in spite of continued recession local sales have risen 20 per cent. The recent reopening of the Ghanaian border should boost West African sales.

A Government decision to fix local cotton prices some 25 per cent below world prices has helped improve competivity of local textile manufacturers.

Gonfreville, 64 per cent Ivorian owned with minority French and International Finance Corporation interests, has invested heavily in recent years to modernise plant, rationalise production and improve productivity.

Recen Government legislation, introduced within the context of a World Bank structural adjustment programme, reforming customs tariffs and introducing export subsidies and aid for financial restructuration is expected to strengthen the local textile industry if properly applied, observers say.

Aetna makes first move into Asia

HONG KONG—The Bank of East Asia and Aetna Life Casualty have joined forces to enter the insurance market in Hong Kong.

The new company, East Asia Aetna, was created through a 50-50 joint venture and officially opened on Wednesday. This is Aetna's first involvement in Asia.

The new insurance company's capital is HK$7m (US$896,000). The Bank of East Asia is one of Hong Kong's largest banks with total assets of over HK$10bn in 1983. The bank's 1983 profit was HK$130.9m, compared with HK$127.1m in 1982.

Total assets of U.S.-based Aetna Insurance, a diversified financial service organisation, exceeded $47bn in 1983. The company's net income for the year was $349m.

Mr John Maxwell, managing director of Aetna in Australia, is the managing director of the new Hong Kong insurance company.

Despite its uncertain political and economic future, Mr Maxwell believes Hong Kong is a prime market for the insurance business. "Only 4 per cent of Hong Kong's residents are currently insured," be said. Over 90 per cent of Japanese, over 60 per cent of Americans and over 40 per cent of Australians have life insurance, be added.

AP-DJ

Accountants rule on loan costs

HONG KONG—The Hong Kong Society of Accountants yesterday announced plans to adopt a new standard rule on deferred payment, or capitalisation, of finance costs.

The Society proposed that all borrowing costs associated with the acquisition, construction or production of assets requiring time to prepare for use, or sale, be deferred, or capitalised, during that period.

Once the asset is in a condition to be used or sold no further borrowing cost should be capitalised, said Ms Pauline Wallace, the Society's director. The amount already deferred will then be reflected in the profit-and-loss account either as part of the cost of goods sold or, when spplicable, part of assets depreciated.

The Society considers that capitalisation is an appropriate standard because otherwise the mere acquisition of the assets reduces earnings shown on the balance sheet.

Ms Wallace believes the Society's proposal will be supported by the individual accountants. The Hong Kong Society of Accountants bas about 2,250 members.

The uew accounting standard will be effective from January 1 1985

AP-DJ

Strong advance by Harrisons Malaysian

HARRISONS MALAYSIAN PLANTATIONS has reported pre-tax profits of 95.77m ringit ($41.3m) for year ended March 31, up strongly from the previous years 79.3m ringgit.

Turnover at 582.30m ringgit more than doubled from the 253.58m of 1982-83.

Earnings per share were 14.2 sen against 14.6 sen fully adjusted. Tax paid was 44.11m ringgit leaving 51.66m. Minority inlersts were 105,000 ringgit and extraordinary gains 8.79m ringgit reflecting land sale prifits.

The company said turnover more than doubled due to the inclusion of Jomalina Sandirian since June 20, 1983.

Sanyo Electric increases forecast to record Y52bn

TOKYO—Sanyo Electric, one of Japan's leading makers of electrical appliances, bas revised upwards its parent company pre-tax profit forecast for the year ending November 30 to a record Y52bn ($217m) from an earlier estimated Y50bn and against Y42.79bn in 1982-83.

The standing record pre-tax profit is Y44.10bn made in 1981-82.

Sales in 1983-84 are also expected to reach record levels, of Y930bn, revised up from an earlier estimated Y900bn and against a record Y819.77bn in 1982-83.

Sanyo Electric announced in May that it plans to make a one-for-10 scrip issue for shareholders registered on November 30 to pay back premiums accumulated from convertible bond issues including a SwFr200m ($86.2m) hond issue in March 1983.

The company is to retain its Y7 dividend for 1983-84.

Video tape recorder sales, an important source of revenue, are forecast to rise 15 per cent from 1982-83 to more than Y150bn in 1983-84.

Sanyo Electric also said yesterday that it has agreed to set up joint ventures to produce colour televisiona and air conditioners in the Chinese province of Guangdong.

The $1.5m Guangdong-Sanyo Air Conditioners company based inFoshan, and equally owned hy the provincial government's Second Light Industry Bureau, has already started productiou, aiming for 40,000 units in the first year.

Huaqulang Sanyo Electronics, based in Shenzhen and capitalised at $6m, will begin operations next September, with initial monthly production of 5,000 colour televisions.

Agencies

INTL. COMPANIES & FINANCE

David Marsh and **Terry Dodsworth** report on a new banking group

M Moussa gets back into action

M PIERRE MOUSSA, the former chairman of now-nationalised French investment bank Paribas, has dona his best to ensure that his new international financial group, Pallas, will achieve thoroughbred status in the world banking stakes.

Pallas, which was formed in the wake of M Moussa's acquittal on government-laid charges of foreign exchange control irregularities, has a capital of $100m, half of which is paid up.

This represents a sizeable chunk of start-up funds for a new banking venture — certainly by the under-capitalised standards of French banks. The capital of the Compagnie Financierre de Paribas holding company, which groups Paribas' diverse industrial and financial operations, is by contrast only FFr 1.75bn ($210m).

The capital of Banque Nationale de Paris, France's largest commercial bank, is FFr 1.6bn, although both BNP and Paribas, like the rest of the French banking system, have built up considerable additional capital backing through reserves and provisions to supplement their meagre equity.

Luxembourg-based Pallas will also benefit from the backing of a dozen international blue-chip shareholders. Some, like Power Corporation of Canada, and the Belgian Bruxelles-Lambert and Gevaert groups, are old stablemates, both of M Moussa and Paribas.

They were shareholders in the U.S.-incorporated financial consultancy company Finance and Development set up by M Moussa in November 1982 following his resignation as Paribas chairman in October, 1981.

So, too, was the Indian Tata group — though Tata had no previous business links with Paribas and joined the first Moussa venture after taking a sympathetic attitude to the former chairman'a exit from Paribas.

The most interesting stakeholders in Pallas are, however, the enw arrivals among M Moussa's financial connections. They include two public sector-linked British investment insitutions, the Investora in Industry (3i) group (owned 15 per cent by the Bank of England and 85 per cent by nine London and Scottish banks), and the pension funds of British Telecom and the Post Office (grouped as the PosTel fund).

Although M Moussa has been working on the formation of Pallaa for two years, the two British groups took the decision to join only in 1984. They were introduced to the idea through "mutual friends," M Moussa says.

The two UK institutions are among the seven largest Pallas shareholders, along witb the two Belgian groups, Laurentian Mutual Insurance of Canada, Elders IXL of Australia and Bank Cantrade of Switzerland.

Pierre Moussa: "My friends have not changed.

The British decision to join in the venture owes much to M Moussa's reputation in the City of London. Additionally, the British groups believe that Pallas, through its worldwide iovestment banking activities, may eventually provide a route to foreign business partners and finance for industrial investment in Britain.

M Moussa will be spending the lion's share of his time in London as chairman of Dillon Read Ltd, the investment bank built around Dillon Read's existing London operations, and in which the New York securities house and Pallas will each bave e 50 per cent stake. Dillon Read Ltd's capital resources, including equity and subordinated loans, will be around $20m.

As would be expected, M Moussa has been given the approval of the Bank of England for upgrading Dillon Read's at present rather sleepy London activities.

As for his personal circumstances after his dramatic scquittal at the end of last month, following a marathon court case and 2½ years of uncertainty over the charges (laid in November 1981), M Moussa says: "I would be lying if I didn't say I was happy at the end of the case. But I'm the same man as before. My friends bave not changed—they were the same wben I waa chairman of Paribas, they were the same when I was nothing—and now they're the same wben I'm chairman of Pallas."

Dillon Read gears up London operations

DILLON READ, one of the oldest names in Wall Street hanking, today boasts one of the most up-to-date trading rooms in New York. Occupying a floor in a gleaming new glass and aluminium tower on Madison Avenue, this electronic showpiece is not as large as the First Boston operation just a few steps away in the smart midtown area. But it is compelling evidence that the 150-year-old company will be here for some time yet.

Dillon is one of a sizaable group of blue-blooded Wall Street banks which has fallen from the limelight as the spotlight has switched to the burgeoning financial conglomerates. It has nevertheless been quietly adapting to the new environment both in the U.S. and Europe — a metamorphosis which it has underscored in the deal with M Moussa.

Mr John Haskell, managing director and until now chairman of Dillon Read Overseas, says the decision to gear-up the company's London operation goes back about two years: "We decided that we needed to expand our capital hase in London and giva a more international flavour to the business, something that would indicate we had a broad vision of the world," ba says.

Dillon believed then that London would expand internationally not only on the Euro-currency side, but also as a centre for international investment banking.

It saw the City becoming more involved in transactions on a supra-national scale — mergers and acquisitions, leveraged buy-outs and all the other banking activities which have expanded so rapidly in the deregulated U.S. financial markets. The proposed abolition of withholding tax in the U.S., he adds, has simply confirmed the growing links in the international markets, which should receive a further boost from the coming deregulation in London.

To run this operation, says Mr Haskell, Dillon was looking for an international banker. Coincidentally, M Moussa was evolving his own ideas for an international investment bank that would take equity interests in companies around the world. He was looking for an established banking partner who could generate ideas and advice on potential investments. "We met in the dark," says Mr Haskell.

Under the joint organisation worked out between the two partners, Mr Moussa becomes chairman and chief executive of Dillon Read Ltd, running the London operation. Pallas, his own company, will effectively be controlled by executives working for Dillon Read, which has an investment contract for giving advice to Pallas.

Mr Haskell adds that the recently dismissed court case against M Moussa has, if anything, made him into a hero in international banking circles. "He is a man of great integrity and ability, be says, "He took Paribas from being a leading French bank into one of the top international merchant hanks."

Whether this gearing up in London will propel Dillon into the big league of investment banking is the big qnestion posed hy the deal. In the U.S., the company has so far steered deliberately clear of the retail hroking and dealing activities which characterise the largest Wall Street firms. These businesses require much larger amounts of capital than Dillon can muster.

At present, it ranks at number 34 among the Wall Street houses, with total capital of $65m, most of which is owned by the company's own senior executives. There are two outside shareholders, the Bechtel construction group, and S. E. Banken of Sweden.

According to Mr Haskell, it has decided to stick with its concept of being a high quality issuing house, maintaining close links with its corporate and public clients, and dealing essentially with institutions—the trading room, which bas come into being to help distribute stocks in which it is involved, does not deal with the general public.

Derek Millard, senior manager for 3i, whose pension fund is investing an unspecified sum in Pallas, says: "The opportunity to invest in a new investment bank does not come np too oftne. We are a bit light on our overseas investments and Mousssa has an impressive record at his own bank. There should also be some spin-off from the different shareholders gatting together." The 3i pension fund has some 4,000 individual investments.

Ralf Quartano, chief executive of PosTel Investment Management, which handles the joint British Telecom and Post Office pension funds, declines to reveal how mnch they bave pnt in to Pallas. Bnt be does say: "It fits in with our interest in getting stakes in financial services companies in this time of change. It is a growing field of interest for us and other institutions."

Capital gains brings trebled profit at Flick

BY RUPERT CORNWELL IN BONN

F LICK, THE embattled privately-own German industrial group, is predicting a further boost in profits this year, after gains in both earnings an dsales in 1983.

The company furthermore indicated yesterday that it is mustering resources for what Herr Hans Werner Kolb, a Flick partner, described as a "giagntic" investment programme for the years ahead.

The group's profits more than trebled in 1983 to DM 299m ($105m) from DM 95m. But the improvement was mainly accounted for by an extraordinary DM 194m capital gain stemming from the winding-up of the subsidiary Mercure Company of Curacao.

Without this contribution—the DM 194m will be made over to reserves—operating profits for 1983 moved ahead to DM 101m, while group sales climbed by over 10 per cent to DM 9.95bn mainly as a result of a surge in business at Krauss-Maffei, Flick's arms manufacturing associate.

Sharp swings in Krauss-Maffei's performance often distort Flick's overall results. Last year, when major deliveries of Leopard 1 and 2 tanks respectively to Turkey and Greece, and to the German army, were carried out, was no exception.

Sales of Krauss-Maffei, controlled by the Enderus group in which the Flick holding company has a 97 per cent interest, jumped by 59 per cent to DM 2.05bn per cent in 1982.

Among other major subsidiaries, Dynamit Nobel achieved a 2.2 per cent sales rise to DM 2.87bn, while Buderus turnover improved fractionally to DM 1.46bn. But the depressed state of the steel market forced down sales at Edelstahlwerke Buderus, the special steel concern, from DM 420m in 1982 to DM 411m last year.

On the other hand, Feldmühle, pushed up sales by 6.3 per cent to DM 2.53bn, while dividend income from Flick's stakes of 25 and 10 per cent in W. R. Grace of the U.S. and Daimler-Benz respectively advanced to a combined DM 132m from DM 118m.

The group gave no overall figures for its investment programme. However, Herr Kolb made clear that both the DM 194m deriving from the Mercure operation, and the DM 50m it hopes to net from the sale of Edelstahlwerke Buderus to BHF bank would be used to that end.

But the real shadow hanging over Flick is the unresolved question of a possible DM 450m back tax bill, stemming from its sale of 29 per cent of Daimler-Benz in 1975. That deal, which gave Flick a capital gain of DM 1.9bn, is at the heart of the so-called "Flick affair" scandal.

Herr Kolb yesterday refused to comment directly on the affair. But he was confident that Flick would win eventually its legal action.

Voest-Alpine deeper in red

By Patrick Blum in Vienna

VOEST-ALPINE, Austria's state-owned steel and engineering group, reports losses of Sch 2.58bn ($136m) for last year, more than double the Sch 1.24bn losses incurred in 1982, despite a 37 per cent increase in turnover, which reached Sch 104bn.

The reported group losses do not include three Sch 2.3bn losses made by Vereignite Edelstahlwerke (VEW), Voest's troubled steel subsidiary. VEW is accounted seperately from the group in its annual report.

Herr Heribert Apfalter, Voest's president, says 1983's poor results were due to lasting difficulties in conventional steel construction and in the traditional mechanical engineering sectors.

Another loss for Talbot in Spain

BY DAVID WHITE IN MADRID

TALBOT of Spain, a unit of the French Peugeot group, incurred a loss of Pta 8bn ($50m) for last year, down from 1982's deficit of Pta 12.75bn. However, the 1983 deficit was some Pta 1.6bn more than anticipated, according to Sr Estanislao Chaves, the chairman.

The company, which is now producing the Peugeot 205 small saloon, launched at the beginning of this year, as well as Talbot models, suffered as a result of the strike at Talbot's Poisy plant outside Paris at the end of 1983. It was forced to lay off workers because of the shortage of parts.

Sales on the Spanish market rose 18 per cent to 50,900 units, due principally to the introduction of the diesel version of the Talbot Horizon saloon. This offset a 24 per cent reduction in Talbot's exports from Spain, which fell to 8,900, by far the smallest figure among the country's six car manufacturers.

Production rose by 3 per cent to 54,000. Turnover, which had dropped in 1982, recovered to Pta 55.4bn, an increase of 41 per cent.

The company, which invested Pta 5bn on installing the Peugeot 205 production line, has been progressively reducing its workforce, and plans to cut it further from the present 8,700 to 6,500 bythe end of next year.

Like other Spanish car companies, including the Peugeot Group's other subsidiary, Citroen Hispania, Talbot is currently holding back on a planned mid-year price increase because of weak demand.

Sumitomo Bank purchase

Sumitomo Bank said yesterday that it has completed the acquisition of a 52.67 per cent stake in Banca Del Gottardo, a Swiss subsidiary of Banco Ambrosiano.

Sumitomo did not give the takeover cost, but a basic agreement announced last March said the acquisition would cost $144m.

Compudata plans share issue

COMPUDATA, the Dutch microcomputer producer, is hoping to raise Fl7.5m ($2.4m) through the issue of 250,000 shares on the Amsterdam "parallel" market. The shares, priced at Fl30 apiece, will have warrants attached entitling bearers to purchase on additional share for each share already held, at the issue price, between January of next year and January 1987.

The issue is a major boost to the parallel market — an equivalent to the London unlisted securities market—which had been losing high-technology stocks to the UK markets and is anxious to spruce up its image as a progressive institution.

Of the 250,000 shares on offer, 90,000 will be placed with professional investors in the Netherlands and the UK. Subscriptions close on July 17, and allotments will be announced the following day, with payments due at the end of the month. The issue is being handled by Pierson Heldring and Pierson, Amsterdam-Rotterdam Bank, and the Nederlandse Credietbank.

Compudata makes the Tulip 1 micro business system and supplies a full range of software. It also acts as exclusive agent for peripherals required.

Since its foundation in 1979, Compudata has seen its annual sales grow from Fl4m to Fl27m, with Fl36m predicted for the current year.

A. G. Edwards bucks the national stockbroking trend

BY TERRY DODSWORTH IN NEW YORK

A. G. EDWARDS of St Louis is the sort of stockbroking firm that most of its rivals on Wall Street have spent the last 10 years earnestly striving not to be. It is stubbornly regional, totally committed to the private client, and crucially wedded to commission income for its profits.

Virtually all the recent strategic activity on Wall Street has been devoted to running in the opposite direction—towards full or multi-service firms, highly active in investment banking or trading securities on their own account. Shearson/American Express's recent takeover of Lehman Brothers Kuhn Loeb was the latest manifestation of this thinking.

By contrast, Edwards has built a business which revolves around the typical modest investor from a typical American small town. "Our plan is to encourage the brokers and the clients to build a relationship," says Mr Ben Edwards, chairman and chief executive. "We don't want to diversify away from that to where we would be using a different sales force or diluting our capital on other things."

Part of the reasoning behind Wall Street's diversification was to counteract the effects of the abolition of fixed commissions back in 1975. As increased competition has brought a steady erosion of commission margins, most U.S. companies have been forced to build up other areas of their business as sources of revenue. As a proportion of the securities industry's total turnover, commissions have, consequently, fallen from around 50 per cent in 1975 to just over 25 per cent last year.

A. G. Edwards, however, has sailed through this squeeze on the traditional base of stockbroking as though it were not there. Profits have risen steadily (from $13.7m net in 1980 to $29.2m last year), margins have been roughly maintained, and the equity base has grown by leaps and bounds. It has achieved this by sticking mainly to old-fashioned broking.

"I do not believe in financial conglomerates," says Mr Edwards flatly. "I think that businesses are significantly different, and that each business has specialisms on which it should concentrate."

Mr Edwards is a decendent of General Albert Edwards—a friend of President Abraham Lincoln—who founded the company almost 100 years ago. His successors have made it a part of the St Louis establishment, forging a reputation for austerity—the Edwards family is staunchly Presbyterian—and firm management.

Nevertheless, Edwards is no longer a truly family firm. The present chairman owns only around 2.5 per cent of the stock, and he doubts that another Edwards will take over when he goes.

The company went public in 1971, partly to provide the necessary capital for growth. But even before that, it had started to publish its earnings "as a management discipline, because we thought we would do a better job living in a goldfish bowl."

The comment speaks volumes for the conservative management style of the firm, run from a lofty downtown St Louis office block overlooking the Mississippi. "Edwards is not trying to be a fancy organisation," says Mr Perrin Long, a securities analyst at Lipper Analytical Services. "It is just trying to offer a service. It is customer-driven not product-driven."

The strategy of the company goes back to a concerted planning effort which the company embarked upon back in the late 1960s, well before the abolition of fixed commissions.

Building on its reputation for service and personal contact, Edwards began to develop its market niche on a national basis. In a strictly geographical sense, this policy has flourished to the extent that it now makes nonsense of the "regional" label. Edwards today has about 240 offices, employing more than 2,000 brokers covering virtually the whole of the country.

In another sense, however, Edwards has remained regional in spirit. It eschews the extravagence of a Wall Street headquarters and the touch of hyperbole that goes with it, sticking firmly to its sober midwestern roots—there are no private limmusines in the company, while executives all travel tourist—and it goes after the sort of middle income business associated with suburbia and small town America which many of the hard-selling New York companies had ignored until recently.

Mr Edwards argues that this policy turned out to be one of the best to face the abolition of fixed commissions, although he admits it was partly a question of luck. Back in the 1960s corporate planning stage, the company had accepted that it would never be able to achieve the same margins as the big institutional brokers, who were earning their commissions on low cost, high volume business.

As it happened, however, the brokers who were hit hardest by the change in the rules were those depending on institutional clients, who were then able to push through huge discounts because of their large volumes. Private clients have proved less price sensitive, says Mr Edwards, provided they are given the right sort of quality service.

The rising relative importance of the private client market in the wake of price deregulation did not, of course, escape other brokers. In the period since 1975, Edwards has had to face a raft of new competitors, coming from all directions.

The large national groups like Merril Lynch and E. F. Hutton have expanded from their big city bases into the smaller towns where Edwards is concentrated, a board range of new products has been introduced; and the discounters—the cut-price, no frills, no research, no advice brokers, often backed by the big banks—have also come into the market.

Edwards' response has been to stick mainly to its long-term game plan, expanding geographically, but holding to its small town, consumer service-related concepts. This does not mean that it has chosen to ignore all the innovations.

But the firm remains distrustful of the latest Wall Street fads, reluctant to follow the herd, and keeps aside as much spare capital as it can, says Mr Edwards, "to be able to flex with the market."

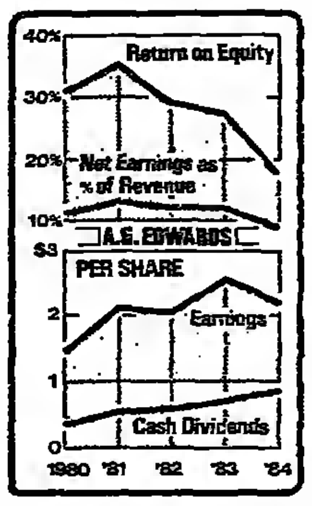
The effect of this "flexing" has brought commission income down in some degree as a percentage of the total. Over the past five years it has fallen from around 78 per cent to 61 per cent, although in absolute terms it has more than doubled.

Investment banking has come up to compensate, providing 23 per cent of revenues against 8 per cent in 1980, through underwriting, private placements and public finance. The company's big stock distribution network is also valued by other Wall Street firms, who bring it in on syndicated deals.

By contrast, the company has remained sceptical about other products, such as insurance or *principal transactions. Indeed,* Edwards believes that diversification often adds costs without a generating adequate returns. Commission business is much easier to automate, says Mr Edwards, a fact that is borne out by its low ratio of back office staff—about one person for every broker in the field against over 2 at Merrill Lynch and 1.6 at Shearson.

Where it has had to offer additional products to provide clients with comprehensive financial planning services, it has bought them in, rather than trying to generate them internally.

This can be a tricky policy, as was shown last year when it decided to provide $12m against profits to compensate clients who had bought annuities issued by the Baldwin Group—now operating in Chapter 11 bankruptcy status, giving it protection from creditors—but the experience does not appear to have convinced Edwards to change policy



A. G. EDWARDS	1984 $m	1983 $m	1982 $m	1981 $m	1980 $m
	Year to end-February				
Revenues	322.7	277.4	212.9	186.1	137.6
Net earnings	29.2*	34.0	28.2	24.1	15.7
Stockholders' equity	172.3	150.6	98.4	76.8	57.4
Total assets	579.5	577.4	402.8	389.8	318.0

* After $12m extraordinary charge.

Commodity brokers' ill-fated gamble

By A. H. HERMANN, Legal Correspondent

A REMARKABLE dispute is unfolding in the High Court in London, between J. H. Rayner (Mincing Lane) and Rayner-Harwill Ltd, subsidiaries of S. and W. Berisford, and the Bank fuer Gemeinwirtschaft. Should the Rayner companies win, the German bank will be ordered to pay some DM 2.4m under a guarantee which the Rayner companies were prevented from invoking by a succession of German court orders, culminating in the Federal Supreme Court's judgment of March 12 1984.*

We would then have the interesting spectacle of German and English courts addressing contradictory orders to residents in the other country. The German courts seem to be in a stronger position because whatever is demanded of the German bank should take place in Germany, and the objection to it is a matter of German public policy.

The case is remarkable also for another reason. It illustrates how dangerous it is to build a business in a foreign country on legal and moral concepts acquired at home—even if the country is so close as West Germany. The dispute seems to be the last in a long series—some of which have been reported in this column—arising from the German disapproval of differential deals, options or futures where no commodities change hands, and only profits and losses calculated on the movement of the price are credited or debited to the customer's account.

German law treats such deals much the same as gambling, so that any claims arising from them are unenforceable. There are, however, certain exceptions. Enforceable debts are incurred by German residents who have "market capacity," for example, because they are registered merchants.

Rayner-Harwill, acting as agent for J. H. Rayner (Mincing Lane), seems to have opened an account for a Bonn man, MN, without checking whether he was a registered merchant. It seems that it relied on his word. It was agreed, in October 1980, that Rayner (Mincing Lane) would carry out for MN differential deals on the London and U.S. raw material markets, receiving an initial deposit of 1,000 Krugerrands as security.

The agreement was in German but provided for the application of English law and the jurisdiction of English courts.

The Bonn client deposited the Krugerrands with the Bank fuer Gemeinwirtschaft, instructing it as follows: "The deposit should be delivered to me against a receipt, but only with the agreement of Rayner-Harwill Ltd, London." Of course this was not a deposit in favour of Rayner-Harwill but merely a deposit by the client which could be blocked by Rayner-Harwill.

Nevertheless, the bank sent to Rayner-Harwill a telex which went beyond the instructions received from its client. It said: "We confirm that we are holding the 1,000 Krugerrands to the order of Rayner-Harwill Ltd, London, as security against transactions effected by Rayner-Harwill Ltd, on behalf of MN."

The deals carried out by Rayner on behalf of MN soon resulted in losses, and Rayner asked for a further security. Acting through his limited company, the German client (who had previously dealt in a personal capacity) instructed the bank to provide two guarantees for a total of DM 2.5m.

This the bank did in the following form: "(With reference to the current business connection between you and the company), we undertake irrevocably to pay on your first demand amounts due to you by (the company) up to a total of (DM 1m and DM 1.5m) against your declaration in writing that (the company) did not pay the required amount when due." No one seems to have made any fuss, neither then nor later in the courts, that the company had no contractual relationship with Rayner and was unlikely to incur any debts.

However, the parties which were so easy-going as long as they were making agreements fell out completely when the debit balance on MN's account reached DM 2.38m. Rayner asked for settlement within 14 days and, as no payment was forthcoming, called on the German bank to pay under the two guarantees. The bank did not pay, and Rayner brought an action against it in the High Court in London. The bank's objection, that the dispute was not subject to the jurisdiction of English courts, was rejected by Mr Justice Staughton, and the case is now awaiting trial.

In the meantime, the true dimensions of the case have been unfolding in the German courts where the two Rayner companies predictably lost a legal battle which they fought all the way to the Federal Supreme Court (BGH). They were sued by MN and his company, who asked the courts to order Rayner-Harwill to release to them the 1,000 Krugerrands held by the Bank fuer Gemeinwirtschaft and to order Rayner (Mincing Lane) not to make any demands under the two bank guarantees. They argued that as MN was not a registered merchant, the *debts arising* from differential deals made on his behalf on foreign markets were unenforceable.

The Federal Supreme Court ruled, in Case BGH II ZR 269/79 *(reported in this column* on July 10, 1980), that claims from differential deals were unenforceable in Germany even if the deals were subject to its provisions. The Landgericht of Bonn and the Appeal Court of Cologne had no difficulty in concluding that the claim of the two Rayner companies against the German speculator must not be enforced. The two UK companies were ordered to release the gold coin deposit and to refrain from making use of the bank guarantees.

The only straw which the two UK companies were still clutching when they reached the Federal Supreme Court was reliance on Section 55 of the Boersengesetz, according to which one cannot reclaim the payment of an unenforceable debt once it has been made. They viewed the security of the Krugerrands and the guarantees as payment of the unenforceable obligation and were fortified in this belief by a BGH judgment of 1971.†

However, that judgment was reversed‡ in 1982: a security can now be binding only if it covers stock exchange futures and only if strict formal requirements have been satisfied. Commodity futures are not covered: Rayner-Harwill was rightly ordered, said the BGH, to relinquish the possibility of blocking the return of the Krugerrands to the depositor.

Much the same applied to the bank guarantees. These could not be recognised as payment but only as security for a future payment. The BGH found nothing wrong with the injunction preventing Rayner (Mincing Lane) from claiming payment under the bank guarantees.

One of the defendant's arguments was that the injunction granted by the German courts represented an inadmissable intervention in the jurisdictional *sphere of UK courts.* The BGH did not agree: the plaintiff did not ask for any penal sanctions to be attached to the injunction, nor were such sanctions threatened by the courts below.

The BGH made a number of other interesting rulings—the judgment will be reported in greater detail in the July issue of the FT Business Law Brief—but two questions remain unanswered. What would be the position of the German bank, vis-a-vis its client, should Rayner defy the injunction and the bank comply with a possible order of the UK courts to honour the guarantees? Also the possible impact of EEC law, which requires that German law *should* not *treat* deals on other EEC markets more harshly than similar deals on German markets, *remains unexplored. But* that would be another long story.

**II ZR 10/83, unreported, †BGHZ, 58, 1, ‡BGHZ, 86 and.*

Private individuals' debts arising from speculative commodity deals on foreign markets are not enforceable in Germany. Neither a bank guarantee nor choice of English law and courts will help

MANAGEMENT: Marketing

EDITED BY CHRISTOPHER LORENZ

Channel Four Advertising

Figures look good

BY FEONA McEWAN

THE BABY is now a toddler and is slowly but surely finding its feet. Since its arrival in Nnvember 1982, Channcl Four, once described by its chief executive Jeremy Isaacs as "a haby with 10 fingers and 10 toes who sleeps at night," has made steady progress. In terms of stature, programming, audience share, hours of viewing and ratings, the signs are positive.

So now hte dust has settled, how is Four looking as an advertising medium? How is it being used, who uses it and to what effect?

The inevitable early complications have been eased. The interminable dispute with the union Equity over payment of actors' repeat fees continues to keep many advertisers strictly on ITV1, though more and more are finding ways round the problem—either by paying a one-off buyout fee to the actor, by not using Equity mambers or by simply paying the repeat fees. There are now hopes, in tha light of the recent elections within Equity, for an early settlement.

There was, too, the basic marketing problem of selling a novel television concept, a specialist station, with dip-in dip-out viewership.

"One of the first things we had to do was establish our brand, and its 'usp' (uniqne selling proposition). Unfortunately no one understood our usp when we started on air. We were saying to about 53m people, 'Here is a TV channel, watch it in a different way,'" says Sue Stoessl, Four's marketing manager.

But if they failed at first, success soon followed. Tha "diverse form and content" stipulated by the Independent Broadcasting Authority charetr is now delivering the desired audience profile: younger, more affluent, if predominantly male, and many of them new to ITV. Acting as a complementary channel (never a smaller version of big brother ITV1) Four has always aimed to fill the gap in the market, offering audiences more specialised programming and advertisers a finely-tuned, sensitive environment for their messages.

This, Stoessl believes, is now happening. "As a complementary medium, the idea always was to be strong when others were weak which means spring and summer. Interestingly we started to grow last summer when most media declined. Then we coasted through autumn and we are now showing a steady 5 going on 6 and 7 per cent audience share."

So the figures are looking good. A 6 per cent share means that, of every 100 viewing hours, six are spent on Four. In terms of patronage, some 50 per cent of the total viewing aodience tunes in to Four at some point every week and this rises to 80 per cent over a month.

Four's andience share, on top of ITV 1's 46 per cent current share, is reckoned to enlarge the commercial television sector, thus offering advertisers marginal extra coverage. Many observers feel that, once tha Equity dispute is settled, more advertisers would be siphoning advertisers will he sipboning some 10 per cent of their TV budgets on to Four (commensurate with audience share), instead of all of it on ITV 1.

Media independents, specialist buyers of time and space, are enthusiastic users of the new channel. As non-members of the Institute of Practitioners in Advertising they are not affected by its Equity boycott ruling. The Association of Media Independents took the decision to judge each case on its commercial merits. Independents account corporately for some 12 per cent of total ad revenue, but contribute more than 20 per cent of Four's revenue. Latest media expenditure analysis (Meal) figures for revenue on Four for the year to May 1984, is £125m.

"We find Four very successful," says Mike Yershon of Yershon Media. "In cost per thousand terms, for most target audience viewing groups, Four nationwide this spring was 20 to 30 per cent cheaper than ITV1. However, the average number of people reached hy each spot on Four was considerably smaller than ITV1 and the capital cost per spot reflects this.

A commoo misbelief among first-time advertisers on television is that potency of ads is measured in terms of oumbers of spots, wben, in effect, it's a complex equation concerning frequency, ratings, and coverage.

People are using Four in two ways, says another independent. The first is as a cost regulator, extending the campaign presence of ITV1. "Since, pro rata to sudience levels it is cheaper, you are getting more audience exposure for your huck."

The most effective use of Four, be says, is to isolate certain subgroups, a more economic approach than going for the unselected masses of ITV1—the rifle versus the shotgun effect.

So far the top five categories of advertiser using the channel, accroding to MEAL, are local advertisers with a spend of £14m, food at £13.2m, toiletries £13m, leisure equipment £10m and motors £7.6m. Packaged goods are notable by their absence, though this is expected to change after the dispute.

The spectrum of products now featuring on the small screen is very wide. Tony Logie, director of sales and marketing at Thames, reports a receot sample as varied as Oral B toothpaste, Comsbare computers, Ford Orion cars, Simoniz TR3 wax polish, Smiths square crisps, Sun Sensor sunglasses. "And demand is increasing so prices are rising. Some advertisers are finding it very difficult to book into July and August."

Nigel Hays, group marketing mansger of cosmetics group, Max Factor, until moving to Coty three months ago, admits to being sold on the channel from the start. "We introduced a fragrance called Epris on the first day of the channel. At one stage people were ringing us up to say they were fed up with seeing the ad. But sales went through the roof." Some months later, using a mix of ITV1 and Four, he Isuncbed Le Jardin, now qnoted hy Syndicated Data Consultants as the most successful Isunch in the fragrance industry in the last three to five years. "We showed a 3.1 per cent share instantly."

The computer industry, bardware, software and peripherals, has taken to television in a big way in the last nine months, particularly to Four. London Weekend reports that it sometimes has trouble finding room for them all—it has a policy of no more than one per category per commercial break.

Business to business is another thriving area. "In my opinion," ssys Tony Darrell-Brown of LWT, "it is growing in leaps and hounds. Look at the number of ads using phone numbers, either their own or our own Freefone or Teledata."

An exampte of imsginative marketing on television comes from Worley Engineering, makers of oil production plstforms which last year took the initiative on Four. It had estimated that it had a total of about 50 individual potential clients, most of them living and working in London and most of them American. Accordingly, it made a commercial and placed it during Four's coverage of America's Rosebowl (two spots) and famous Superbowl (three spots) football championships. Total cost including productioo and TV buying was £7,000. "Results are inevitably difficult to quantify," says manager Bob Hitchcock. "But it caused a considerable stir in the industry. The bead office in Houston heard of it within 24 hours and had a number of job applications, and yes, we sold a design."

Clairol's launch of its Glints semi-permanent hair colourant is one nf the earliest — and an oft-qnoted — uses of Four.

Within the overall hair colourant market, Clairol identified semi-permanents as its target, focusing nn the 18- to 25-year-old woman. It aimed to secure an additional 20 per cent of the sector, which was 5 per cent af the total market.

Four was chosen through agency Geers Gross, which had been bullish from the start about the channel's prospects, new *medium*, new product, both "a shade more daring" was the Glints slogan. The Cockney voiceover representing the street sound of today, and the positinning in cult programmes like the Tube, SOAP and Brideshead Revisited were aimed to score direct hits with the target group.

After three months on the market, Glints claimed to *have cornered 8 per cent of* the total colourant market and expanded the semi-permanent sector by 30 per cent. The same campaign is now running in the Irish Repnblic, Scandinavia and Australia.

UK drugs marketing

Living with the cuts

Carla Rapoport on the effects of a Government ruling

OVER THE past six months, every marketing truth once held to be sacred in the pharmaceutical industry has been taken apart and examined by drug company executives operating in Britain.

The results of this exercise—prompted by the Government's ruling last December that promotional spending must be cut from around 12 per cent of sales to 10 per cent—are just beginning to roll in. Executives who were earlier hunting for windows to leap from now say they are coping. But some, it is already clear, are able to cope better than others.

The first thing to go out of the window for nearly every pharmaceutical company operating in Britain has been a significant chunk of its journal advertising spend. ICI, for example, has pulled its advertisements out of 10 medical journals, while Ciba-Geigy's UK subsidiary has cut advertising expenditure by 50 per cent so far this year. Smaller companies have stopped advertising altogether, in many cases.

"Journal advertising is the least easiest to prove its effectiveness and the cost keeps on escalating," says Richard Bailey, managing director of Eli Lilly in the UK. Few registered any sorrow over the reduced spending on journals. "There was a lot of wastage; the Government knew this," says an executive of one of the larger companies.

The sorrow, so far, has been more on the publishing side. Last year, drug companies spent around £30m on advertising in medical journals, including some 35 free circulation magazines. This year the advertising figure is running about 40 per cent down on last year's levels and already three titles have ceased publication.

The next marketing tools to be hacked away at have been medical meetings, entertaining and give-aways. Joe Eagle, marketing director of Ciba-Giegy in the UK, says the group has saved £800,000 on cutting out "special project representatives" who spent their time meeting doctors to discuss a variety of medical topics. "Personally, I was looking for a good reason to get rid of it," says Eagle. The company did a study to determine why the doctors came to the medical meetings. "We found that 30 per cent qualified as genuinely interested in the topics, the rest were just professional eaters."

Much dearer to every company's heart, however, are the medical representatives, or reps, who actually visit doctors, promoting products face-to-face. In this area, smaller companies are now clearly at a disadvantage to the larger ones.

According to the Government's new formula for promotional spending, companies are allowed to spend 7 per cent of their sales, plus £550,000, which is intended to average out to around 10 per cent of sales for the industry as a whole. Most agree that a competitive rep force ought to include around 60 people. At around £25,000 per rep, this means that a company with sales of £15m or less will use up its allowable expenditure with just a rep force and nothing else.

Joseph Susijan, managing director of Gist-Brocades UK operation, with sales of around £15m a year, says: "I don't have 60 reps. It would be suicidal to have them. But it is suicidal not to have them. This is my problem."

Big and small companies have been shrinking their rep forces, nonetheless. The industry overall is estimated to have eliminated some 200 jobs out of a total 3,000 since the beginning of the year and more are expected next year when the promotional budgets are tightened by another 1 percentage point of sales.

How will these changes affect the industry? Most agree that the status quo will be maintained; big will stay big and small small. "Objectively, the sale of medicines is by promotion. If the larger companies have more money to spend than the smaller, they will be more successful. We will soon be in a monopoly situation in the UK," says Thomas Summers of Leo Laboratories in the UK, a £20m-a-year subsidiary of a Danish group.

The companies hardest hit will be small companies with new, interesting products. These companies include more than just subsidiaries of foreign multinationals but also UK-based groups like Boots and Fisons, which are growing their pharmaceutical businesses bottom-up.

Terry Richardson, director of pharmaceutical marketing and a group board director of Boots, says that the promotional cutbacks may well mean that the group will not launch some product innovations in the UK. Admittedly, these will be variations of a previously successful product, but "to put a development of Brufen (Boots' anti-arthritic drug) on the market is good medicine. You will never know what you are missing if you don't."

The other alternative is to incur the fine by overspending on new products. "The last thing we want to do is pay a 100 per cent tax. But I don't see how we can avoid paying some," says Richard Bate, Managing Director of Wyeth Laboratories, a division of Wyeth International in the U.S.

But there will be companies benefiting from the cuts. "It amounts to a non-proliferation deal between Russia and the U.S. when two companies like SmithKline and Glaxo are forced to cut down their advertising expenditure in the ulcer market," says Robin Gilbert, a pharmaceutical analyst with James Capel, the London stockbroker. Others agree that an across-the-board cut in advertising has been welcomed by companies that kept spending merely to keep pace with the competition.

Advertising such as this in medical journals has been the principal victim of the UK government decree that pharmaceutical company promotional spending must be cut

TECHNOLOGY

EDITED BY ALAN CANE

PERSONAL COMPUTER LAUNCH CAMOUFLAGES NETWORK INITIATIVE

AT & T unfurls its battle standard

BY LOUISE KEHOE IN CALIFORNIA

AMERICAN Telephone and Telegraph (AT & T) underwhelmed the world with its announcement of a personal computer last week. The Olivetti-built machine offers little that is new and appeared almost unworthy of the AT & T label that links it to some of the most significant technical advances in the history of electronics.

For AT & T's competitors in the office personal computer business, the telecommunications giant's announcement was at once a relief and a threat. While companies such as Apple Computer were clearly glad to be assured that AT & T had nothing spectacular up its sleeve that might threaten their status as industry innovators, makers of IBM-compatible computers, still reeling from IBM's recent price cuts, were once more thrown off stride.

With its announcement, AT & T endorsed the view that technology is no longer the driving force in the office personal computer market.

AT & T is obviously capable of producing a much more sophisticated personal computer. Indeed, it is believed to have developed prototypes of a machine that would offer features not unlike those of Apple's Macintosh, with its "mouse" and screen "icons."

Instead, however, AT & T has introduced a "me-too" personal computer that uses the industry standard MS-DOS operating system to make it compatible with software designed for the IBM personal computer. Prices on the new 6300 range from $2,745 for a dual floppy disc version with 128 K of memory to $4,920 for a hard disk version with 256 K of memory.

Like other IBM "clone" makers, AT & T adds a few bells and whistles to differentiate its product, but basically the units are very similar.

The AT & T 6300, for example, will make IBM-type software run faster than some other IBM "clones." AT & T has adopted the Intel 8086 microprocessor, a device that processes information in chunks of 16-bits. The 8088 used in the IBM PC is a hybrid 8/16-bit processor. It processes data in 8-bit chunks, so it needs to go through two cycles to complete the same process as a 16-bit machine. (The 8088 fools the outside world — its peripheral chips — into believing it is a 16-bit device by outputting data in 16-bit chunks.)

The 8086 used by AT & T is also innately faster than the older 8088 in the IBM PC.

AT & T claims a 30-80 per cent performance improvement over the IBM PC. In practice, this means that a spread sheet program like Lotus 1-2-3 will calculate twice as fast on the AT & T machine.

The question is, however, whether the average user will notice the difference.

The challenge facing AT & T, competitors and analysts agree, is to learn how to market the product. AT & T made a bold beginning by blitzing television and print media with advertisements for its personal computer.

Evoking AT & T's history as a technical leader, it has adopted the slogan, "Watson, watch us now"—a reference to the first telephone conversation in which Alexander Graham Bell said, "Watson, come here, I want you."

Proving that its corporate name will open doors, AT & T also announced that Computerland, the largest U.S. computer retail chain, will carry the product.

It will, however, take AT & T at least two years to transform itself from a "utility" into a marketing oriented company, suggests John Sculley, President of Apple Computer.

"Just spending a lot of money on advertising does not assure success in this market," says Mr Sculley. "AT & T has fundamentally to change its corporate culture."

AT & T's entry into the personal computer fray has been widely labelled as the beginning of the battle of the titans, as IBM and AT & T line up for a showdown in the office automation market.

IBM has made no comment upon its new personal computer market competitor.

Subtly, however, IBM seems to have at least temporarily ceded a major round in the contest.

Hidden beneath the headlines of AT & T's challenge to the market leader was what some regard as more significant news.

AT & T announced a local area network that will allow hundreds of personal and other computers and peripherals to communicate with one another.

IBM, on the other hand, admitted recently that its local area network development will not be complete for another two years.

AT & T has not yet released technical details of its "Information Systems Network (ISN)." The company says, however, that the network is designed for medium to large scale users—corporations, universities and government departments, for example.

ISN will support up to 1,920 devices (personal computers, minicomputers, data storage units, printers and so on connected with existing phone wiring and optical fibre trunks.

The cost of installing ISN will be approximately $400-$500 a connection, AT & T estimates.

ISN is a "packet switching" network in which bursts of data each carrying their names and addresses share "space" on the network. AT & T has not said whether it plans to publish the protocols that would enable other computer makers to link their hardware to the network, but is expected to do so.

AT & T is also planning to introduce versions of ISN for smaller installations and to look into networks to existing local area networks such as Ethernet.

ISN signals AT & T's determination to become a major factor in the office automation business building upon its strength in communications technology. AT & T will not, however, be content to provide the connections between other manufacturers' hardware.

In March, AT & T introduced its 3B series of super-microcomputers built around the 32000 32-bit microprocessor designed at Bell Labs. Acknowledged as the most powerful microprocessor available at that time, the 32000 provides the power of a minicomputer on a chip.

AT & T is also expected to round out its computer product line with multi-user microcomputer systems currently under development at Convergent Technologies.

"There is more to come," promises Charles Marshall, chairman of AT & T Information Systems.

Why all the fuss about IBM's late, late LAN?

For the electronic office industry, it was the anti-climax of the year.

It had been waiting anxiously for IBM to announce the technology it had decided was best to connect together all the different office—word processors, personal computers, printers and electronic filing cabinets—into a single communicating network.

Because of IBM's size and influence in the industry, the technology it settled on for this local area network (lan) was expected quickly to become the industry standard.

So competitive suppliers were anxious; companies like Xerox which had pioneered a fast local area network called Ethernet, which, in the absence of an IBM product, had become the de facto standard.

Consultants were ready to recommend the IBM network to their clients; communications companies were ready to build add-ons and improvements to the IBM model.

All the signs of a major IBM announcement were there; articles in technical journals by IBM authors, a string of hints and rumours of the technical specifications of the new system to prepare the way.

Then, in early May, the bombshell. IBM announced, not a local area network, but details of the cabling system it intends to use to distribute information around offices and buildings.

The plan to make use of the wiring system, it said, would be implemented in two to three years: "The local area network, using token-ring architecture, would be composed of the IBM cabling system and components planned for announcement at a future date."

Customers in the U.S. could begin ordering their cables this month, IBM said, for delivery in October 1984.

The industry, caught wrong footed, erupted with righteous fury, crying "foul" but to no avail. "Big Blue" had simply done it again.

VISION SYSTEMS

Bright eyes on the production line

BY GEOFFREY CHARLISH

THE ITRAN 8000 vision inspection system offered by Simtech of Sonning, Berkshire can identify engineering parts at up to 10 per second.

Easily used by production personnel, the system can be taught to identify items in a few minutes and will reject faulty components from a production line.

The new system carries out a number of functions including learning critical measurements and features of a variety of different parts. It will subsequently recognise them and check their parameters at speeds which, the company claims, makes 100 per cent parts inspection a practical proposition.

In addition, the system can apply programmed-in tolerances to individual measurements to achieve 100 per cent accuracy in pass/fail inspection.

Up to eight television cameras, looking at separate items or aspects of the same item, feed their signals (from up to 200 feet away) to a controller, where the pictures are digitised and analysed into 64 grey scale levels. These can help the operator to identify edges, indentations, shadows, holes and other features, regardless of the lighting conditions.

For one manufacturer in particular, Herbert and Sons, the transition from electronics has been its saving grace in an increasingly difficult market.

The picture resolution is 1000 x 1000 pixels (basic picture elements).

"Icons," together with plain English messages in colour on the screen, are used to make setting up for identification of a specific part relatively easy. The icons are on-screen graphical representations of desired actions; to make a diameter measurement for example, a light pen is used to point at a small picture of say, a micrometer and move it over the part to be checked.

There are no conventional controls (buttons, switches and so on). To make something happen, the user just touches the pen tip over an appropriate instruction panel on the screen.

For menu selections and operator prompts, action is initiated by touching the pen to a graphics "button" on the screen adjacent to the listing. For alphanumeric entries, the operator touches the pen on the individual letters and digits on a displayed "keyboard."

Once the part is programmed, the system is ready to recognise all similar images presented to it. It uses a 68000 micro, a special array processor and multiple bus communications to give the necessary high processing speed. Simtech is on 0734 693135.

MEASUREMENT

Digital scales progress

SUPERMARKET weighing scales have gone digital. These once quaint mechanical contraptions, transformed by the silicon chip, will be as much a part of the future electronic shopping as laser scanning tills.

For one manufacturer in particular, Herbert and Sons, the transition from electronics has been its saving grace in an increasingly difficult market.

Once faced with an out of date line of products, Herbert and Sons has introduced 52 new products over the past two years to complete its change from mechanical scales to totally electronic ones.

Now the company has gained up to 50 per cent in some of the market sectors for weighing and packaging in the food industry. Competition is increasing in retail weighing, not only from its traditional British rival W. & T. Avery, but from TEC, part of the Japanese Toshiba group, Berkel in the Netherlands and Meto in Scandinavia.

The move into electronic systems, however, has not been achieved alone. For its original designs it formed a joint company with Lloo Electronics, which it later bought out.

Herbert's latest range of equipment for industrial and supermarket systems, under the Lloo Variable Transaction System range, was developed with help of the electronics centre at Essex University.

This range of products is a recognition that the weighing scale must be integrated into the electronic supermarket of the future.

Scientists taste the joys of space

BY PETER MARSH

SCIENTISTS FROM outside the U.S.'s corps of full-time astronauts are featuring increasingly in the crews for forthcoming flights of space shuttles. The National Aeronautics and Space Administration has announced the names of eight such people who will voyage above the atmosphere over the next few years.

Mr Paul Scully-Power, a civilian oceanographer with the U.S. Navy, will join a shuttle flight in October, bringing the total crew to seven—the largest number of people to fly in one spacecraft. Mr Scully-Power will assess data gathered by the shuttle as it journeys over oceans.

Next January, Dr Lodewijk van den Berg, a chemical engineer, and Dr Taylor Wang, a physicist, will be part of the crew for the second shuttle mission to carry Spacelab, a reusable laboratory that fits inside the craft's payload bay. The Dutch-born Dr van den Berg works for EG & G Corp of Goleta, California, while Dr Wang, who was born in China, is an employee of NASA's Jet Propulsion Laboratory, Pasadena, California.

The duo will be responsible for experiments inside the laboratory. For example, the scientists will process exotic forms of materials in the low gravity of space flight.

Featuring in another Spacelab voyage next April will be two more non-astronaut scientists, Dr Loren Acton, who works for Lockheed in Palo Alto, California, and Dr John-David Bartoe of the Naval Research Laboratory in Washington DC. This Spacelab flight will concentrate on experiments in astronomy and atmospheric physics.

On each Spacelab mission, the two civilian space travellers will be joined by five people from NASA's astronaut squad.

NASA has named three more scientists for three further flights using Spacelab that will feature studies in astronomy. The missions, designated the Astro series, start in March 1986. The three scientists are Dr Samuel Durrance of Johns Hopkins University, Baltimore; Dr Kenneth Nordsieck of the University of Wisconsin-Madison; and Dr Ronald Parise of Computer Sciences Corporation, in Silver Springs, Maryland.

Conferencing

Video talks twix London & New York

Within days of the Ford announcement, a new video-conferencing service has been announced by Intelmet, a company jointly owned by Intercontinental Hotels Corporation and Comsat General.

It, too, uses the GEC system to allow more economical transmission via data compression. The result is that Intelmet can now offer "business quality" full motion facilities between the Intercontinental hotels in London and New York at £1,065 per hour. The new technique and recent changes in satellite tariffs mean the company has been able to pass on savings of 84 per cent compared with previous offerings. More on 01-493 5111.

Materials

Medical ceramic

A CERAMIC material which has applications as a supersonic probe for medical diagnosis has been developed by Hitachi's Metal, Magnetic and Electronics research laboratory.

The material, made of lead titanate mixed with samarium and manganese, can generate high frequency supersonic waves up to 15MHz which can be used in body scanning.

Components

Tested by bike

A motor-cycle rear-wheel sprocket moulded from Du Pont's "Delrin" 100ST resin has survived more than 17,000 kilometres in commercial use. Fitted to a machine use by a Norwich, England, courier service, the 38-toothed sprocket shows no signs of wear and is said to give smoother transmission.

Automated Security tops £2m so far and lifts interim dividend

IN AN "excellent" start to the year Automated Security (Holdings) has reported a 45 per cent increase in taxable profit on record turnover.

The result before tax for the six months to May 31 1984 rose from £1.51m to £2.18m on sales up by £1.91m to £13.23m. At the last year end the figures were £4.4m and £24.21m respectively.

The directors of this security services group believe that it is in the company's interests to reinvest a major portion of the profit to generate future growth, but they also consider that a strong dividend policy should be maintained. Accordingly, they have declared an interim dividend of 0.48p, up from 0.4p. The total last time was £1.03p. Earnings were 3.7p (3.08p) undiluted and 3.56 (3.06p) fully diluted.

Trading profit was up 55 per cent at £2.48m, before interest charges which increased from £99,000 to £302,000. The tax charge of £188,000 (£99,000) for the period represents ACT payable on dividends and the group share of related company tax. The group wrote off goodwill amounting to £250,000.

After ordinary dividend payments (£55,000 more at £260,000) the company was able to retain profits of £1.48m against £1.21m.

Commenting in detail on the results, the directors state that they have continued their policy of investing heavily in long-term rental assets, producing an ever increasing rental stream. Rental income contributed £5.9m in the six months.

● comment

ASH's high stock market rating has been less secure than its burglar alarms in the past year—the shares have fallen from an adjusted peak of 240p to a low of 131p. Yesterday's announcement humped up the prire by 17p to 165p for two reasons; first because the pre-tax profits have climbed by more than was expected, and secondly the company has again tried to calm rumours that the Budget might adversely affect ASH because of the use made of high capital allowances on the equipment it installs. The main security rental business continues to grow apace among both industrial, but more particularly, domestic customers. However, an increasingly important factor behind group profits is the fact that all the smaller and newer businesses are making profits for the first time. There are great gains to be made here from the demand for more sophisticated security equipment and for security tags in shops, a market in which ASH's three main competitors all are American. The tax position is that reductions in capital allowances will only slowly affect earnings because of the high level of investment in rented systems. The question which remains is what market rating is appropriate. On a 10 per rent tax charge, forecasts of £6m pre-tax put the shares on a multiple of 16, which discounts not just the current year's earnings but the immediate future prospects also.

2m new EPS shares to raise £1m on USM

Entertainment Production Services, which leases pre-recorded video tapes and markets blank magnetic recording tapes for audio, video and home computer use, is coming to the Unlisted Securities Market through the offer for sale of just over 2m shares, equal to 30 per cent of the equity.

Mr David Cavalier, chairman and founder of the company, is keeping his entire holding in the company so that all the shares on offer are new shares which will raise just over £1m at the offer prire of 58p per share.

The money raised will be used to increase the number of outlets for the video leasing scheme and the size and range of videos available.

EPS set up a video mail order library in 1982 and subsequently developed the leasing scheme whereby outlets such as petrol garages, newsagents and off-lirences are provided with a constantly changing tape selection, up to a maximum of a third of the total each month.

The company now has 1,500 outlets and a range of some 55,000 films which could double in the next year or two. The video leasing accounted for 71 per cent of the company's turnover of £2.88m in the year to April 1984.

Its original business of marketing of blank tapes accounted for £662,000 of turnover in 1983-84. Sales had been around the £5m-range until 1981 when severe pressure on margins in the mail order business wiped out profits. EPS decided to move quickly into the expanding area of pre-recorded videos, and in the year to April 1984 made pre-tax profits of £254,000.

At the offer price of 58p, the shares sell on a nil tax prospective p/e of 8.72 based on a profits forecast of £475,000 for the year to April 1985. The forecast yield is 5.94 per cent.

Statham Duff Stoop are brokers to the issue. Applications close on July 10 1984 and dealings are expected to begin on July 17.

● comment

Entertainment Production Services is building up its video leasing network at great speed, starting with small independent outlets but also building up a presence in larger chains of newsagents and off licences. The tapes are written off to a small residual value over three years usually making a net profit contribution after one year, making margins around 35 per cent. The growth potential seems attractive and chairman Mr David Cavalier feels a public quotation will strengthen the company's position in the market place, and provide funds to quickly meet demand and establish a national network. He has shown his commitment to the future of the business by holding on to all his equity which is some compensation for the short time that the company has been in the video leasing market. It is a brave move to appeal to the wider investment market rather than rely on a placing mainly with institutions, but timing may prove wrong as the small investor appears to be wary of the USM at present.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Finals:—BET Omnibus Services, Evans of Leeds, Fitch Lovell, Fobel International, Jacksons Bourne End, Rowe Evans Investments, Unigate.

FUTURE DATES

Interims:	
Britoil	July 27
Lloyds Bank	Aug 3
Murray Western Invest. Trust	Aug 13
National Westminster Bank	July 31
Romney Trust	July 19
Finals:	
Bromsgrove Castng & Mchng	July 12
Hillards	July 15
Lennons Group	July 13
Lovell (G.F)	July 23
Mercantile House	July 31
Murray Caledonian Invest. Tst.	Aug 13
Murray Northern Invest. Trust	July 10
Murrey Ventures	Sept 10
Ransom (William)	July 11
Ratners (Jewellers)	July 12
Symonds Engineering	July 17

Rights issues meet with poor response

SHAREHOLDERS disappointed three companies which have tried to raise money through rights issues on the stock market.

Comfort Hotels International left the underwriters holding 59.3 per cent of the £7.8m 7¼ per cent convertible unsecured loan stock it offered.

Thomas Robinson and Son, engineer and machine maker, tempted shareholders with only 18 per cent of its underwritten issue of about £1m preference shares.

And Tern-Consulate, which makes shirts, ties and knitwear, had even less success—only 10.4 per cent of its £780,000 issue of £1 convertible cumulative redeemable preference shares. Underwriters took the rest.

Bath & Portland recovers strongly and spends £2.7m on acquisitions

ALONG WITH the announcement of a sharp improvement in profits for the opening six months, the Bath & Portland Group reveals that it has spent some £2.74m on two businesses that will "greatly strengthen" its instrumentation division.

Both deals were carried out by B. and P. subsidiary KDG Instruments. The first was the acquisition of the business, goodwill and other assets of the flow instrumentation division of Fisher Controls International in the UK for £1.62m cash, plus a further £400,000 for additional property.

The other purchase comprised the whole of the capital of Maxseal, based in Bristol, for which KDG paid £717,000.

Group pre-tax profits for the first six months to April 30 1984 rose strongly from a depressed £163,000 to £2.04m and prospects for the remainder of the year "remain encouraging."

The interim dividend is being stepped up from 2.5p to 2.75p net per 25p share—a final of 3.5p was paid for the 1982-83 year from taxable profits of £2.07m (£3.86m).

Profits attributable to the group's continuing activities expanded from £1.88m to £2.22m (a rise of 18.4 per rent) for the period under review, but there were deductions of £185,000 (£1.71m) attributable to disposals and cessations.

Turnover declined from £42.02m to £40.93m—the group has interests in minerals, construction, agriculture, instrumentation and engineering.

The minerals division benefited from both a firming of selling prices and a reduction in costs arising from the increased level of capital expenditure. Profits for the division before interest rose from £845,000 to £1.02m on turnover of £11.15m (£10.34m).

The profits of the construction sector (£503,000 against £553,000) were regarded as "satisfactory overall." Turnover improved to £15.72m (£11.45m).

The agricultural activities maintained their improving trend—profits advanced from £680,000 to £929,000 on turnover of £8.77m (£8.52m).

Instrumentation and engineering benefited from the acquisition in 1983 of KDG Gebhard BV. The division's profits accelerated from £81,000 to £512,000. Turnover here totalled £4.95m (£3.52m).

The prototype of the Euro-scanner performed satisfactorily and "limited" production has commenced. The medical scanner division incurred losses of £318,000 (£322,000).

Associated companies added £82,000 (£48,000) and there was also a debenture surplus of £4,000 this time.

Interest charges rose from £181,000 to £514,000—the comparable figures included £172,000 attributable to disposals relating to civil engineering.

The directors, headed by Mr David Macdonald, the chairman, say the final cost of the sale of the civil engineering business will not be ascertainable until 1985 at the earliest and will depend on contracts' settlements.

Earnings improved from 0.78p to 8.43p per share.

The acquisition of the "flow business" is subject to approval by French authorities.

The business manufactures flowmeters used to measure the rates of flow of liquids and gases. At its factory at Burgess Hill, Sussex, the new business manufactures positive displacement meters and turbine flow meters, while at Croydon, variable area flow meters are produced. The principal trade names of the products acquired are Rotameter and Tylor in the UK and Houdec in France.

Management accounts prepared by Fisher Controls show that for the year ended December 31 1983 the flow business had sales of £3.4m and made profits before tax of £205,000 in the UK and £1.1m and £24,000 respeclively in France. The value of the assets being acquired will not be ascertained until a final stock valuation has been completed, but it is anticipated that such value will equate to the purchase price.

Consideration for the flow business (excluding the additional property at Burgess Hill) is £1.62m in cash. This sum is being provided by the issue of 1,029,711 new ordinary shares shares 25p each in B&P and arrangements have been made to place these shares conditionally with institutional investors.

The consideration for Maxseal, before the property disposals, is £717,000. This sum, £350,000 is to be satisfied by the issue to the vendors of 224,081 B&P shares credited as fully paid. Arrangements have been made on behalf of the vendors to place these shares with institutional investors.

● comment

Bath & Portland is now a less peculiar animal than before, though still peculiar enough. Shorn of its civil engineering arm but bolstered in the instrumentation division, the group cannot yet claim to be knit together by industrial logic but it is now applying its general criterion of return on capital across a narrower range of businesses, each of which it can claim to understand. The exception might turn out to be the scanner venture: the machine installed in Bristol is still the only one in operation, and the project has been dogged by a disappointing number of technical problems. The mineral business produced record profits in this first half, but this is a division largely dependent on the level of road building activity by local authorities, and the group is understandably cautious about maintaining profits at that level. The instrumentation business, though, could grow into a useful substitute. Unchanged at 170p, the shares yield 5.3 per cent.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Automated Security int.	0.48	Nov 15	0.4	—	1.03
Bath & Portland ... int.	2.75	Aug 20	2.5	—	6
Hollas	1	—	1	2	2
McLeod Russel 2nd int.	3.5†	—	3.5	—	6.67
Meadow Farm‡	1.25	—	—	1.25	—
R. W. Toothill	4.5	—	4	7.5	7

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock.

Hollas slips to £1.03m but is confident

THE MIDWAY warning that slimmer margins and unhelpful currency levels would make the year to March 31 1984 a difficult one has proved to be "all too accurate" for Hollas Group.

Reporting a decline in pre-tax profit from £1.31m to £1.03m, Mr A. R. Lawson, the chairman, states that margins were further eroded in a second half which saw a £289,000 drop in profit to £608,000.

He adds that slightly improved trading conditions filtered through at the end of a year of "consolidation rather than expansion," and believes that in the light of all the problems encountered the group's performance was creditable. For the first time he is "genuinely confident" that the company's fortunes will begin to improve.

The company's business has traditionally been the importation and distribution of textiles and fabrics, but it broadened its horizons last November in the estate agency field.

The final dividend is unchanged at 1p, maintaining the 2p total for the year. Earnings per ordinary share are given as an also-unchanged 2.4p.

The profit fall was not mirrored by the turnover performance, which rose marginally from £25.76m to £26.34m. Operating profit emerged £238,000 lower at £1.3m, from which net interest took £270,000 against £230,000.

The tax charge was reduced from £616,000 to £334,000, while the provision for advanced corporation tax was unaltered at £75,000. The company lost £281,000 (£1.15m) on the disposal of a subsidiary. An extraordinary £14,000 debit compares with a £138,000 credit last time.

The amount absorbed by dividends was £515,000 (same) and the company transferred substantially less from reserves—£160,000 against £1.15m. Shareholders' funds slipped from £8.66m to £8.5m.

During the year under review there were several developments which enable the chairman to be "much more enthusiastic" about the current trading year.

	1984 £000	1983 £000
Turnover	26,340	25,759
Operating profit	1,301	1,538
Interest charge	270	230
Pre-tax profit	1,031	1,308
Tax	334	616
ACT provision	75	75
Subsidiary disposal	*281	1,147
Extraordinary items	*14	†138
Dividends	515	515
From reserves	160	1,151
Shareholders' funds	8,504	8,664

* Debit. † Credit.

The group's various yarn operations have now been consolidated under one management group and this division has started the current year brightly.

● comment

A glance at Hollas' performance over the past few years shows clearly how dependent this importer is on the value of the pound. Pre-tax profits last year were less than half those of 1981 when sterling was strong. Hollas is at last trying to alleviate the impact of the pound's fall on its competitiveness—expanding its customer base and turning to slightly more expensive products. The purchase of a stake in Gardner should make supplies more secure and contribute about £100,000 in the current year. But only an unexpectedly dramatic sales increase can really offset the strength of the dollar. The move into estate agencies is a surprising way to diversify; stepping into an unfamiliar business is not without its risks though Hollas is limiting its involvement to a 50 per cent stake in a joint venture with two experienced agents. This business is eventually expected to bring Hollas £100,000 profit a year—but not this year since the operation has scarcely got off the ground. The group could make £1.3m pre-tax this year given the difficulties of the main import business, putting the shares, down 1p to 29p, on a prospective multiple of about [illegible] assuming a 45 per cent tax charge. This is demanding, but the main support at these levels is the yield of 10 per cent.

McLeod Russel pushes up profits to over £7.5m

INCREASED pre-tax profits, up from £4.94m to £7.51m, are reported by McLeod Russel, plantations and property development concern, for the 12 months to March 31 1984—the current accounting period runs for 18 months until September 30 1984.

With the expected improved results, the board has declared a second interim dividend of 3.5p on the increased capital. In a normal 12-month period, it is the intention to pay two dividends a year. Last year there was a single payment of 6.67p.

Group turnover for the 12 months was considerably lower at £33.5m compared with £59.76m. Tax rose from £3.43m to £58m; minorities were £156,000 against £445,000, and there was an extraordinary debit of £2.54m compared with a credit of £735,000. The extraordinary debit is full provision for the loss on the company's interest in the U.S. shopping centre in Houston.

The directors say prices for the company's commodities have remained firm to-date. The UK manufacturing companies are trading up to expectations, while the property interests—with the exception of the Houston development—are progressing satisfactorily.

For these reasons, the group is confident of a good result for the 18 months to end-September. A final dividend will be declared next January.

Wheway recovery hopes marred by miners' strike

IN THE six months to March 31 1984 the pre-tax loss at Wheway Watson, chainmaker, engineer and forger, was reduced from £238,000 to £45,000, and the directors believe that if there had not been a miners' strike the company would have made a profit in the current six months.

In view of the continued strike action, however, it is anticipated that in the current year the group will make a loss, the extent of which will depend on the time it takes for the NCB and the NUM to reach a settlement.

In the last full financial period, which covered the 18 months to October 1 1983, the company made a taxable loss of £568,000.

Turnover for the period under review fell from £9.33m to £8.19m, from which trading profit emerged up at £224,000 against £80,000. Interest took a £31,000 large share at £249,000 and an exceptional debit of £20,000 (£100,000) related to rationalisation and redundancy costs, removal expenses and exchange difficulties.

There was again no tax charge for the period, but a loss on the sale of premises and closure costs produced an extraordinary debit £20,000 (£98,000). The loss per share came out at 0.23p, down from 0.84p. There is no interim dividend.

The chain division incurred a small loss as a result of a severe drop in turnover, again affected by the miners' industrial action.

Sales and profits in the hoist division improved, helped by the introduction of new products.

Meadow Farm result on target pays 1.25p

AN OPTIMISTIC report from Meadow Farm Produce gives pre-tax profits for the year ended March 30 in line with forecast at £621,000 against £148,000 last time. The March 1984 USM placing prospectus forecast profits of £625,000.

The processor of fresh meat products for hotels, restaurants and steakhouses raised turnover by 35 per cent to £8.18m. A final dividend of 1.25p is proposed, improving on the 1p forecast.

Non-recurring expenditure of £13,000 (£135,000) represents a proportion of directors' pay and other expenses excluded from the forecast prepared in connection with the placing.

An extraordinary charge this time of £107,000 was incurred as a result of relocation.

The directors report turnover for the first quarter this year up 61 per cent, and expect further significant increases. Prospects for 1984 are viewed with "great enthusiasm," given the potential for major customer groups centralising their buying through the company.

BHS trend weaker

EASTER trading at British Home Stores had been above estimate for the current financial year, Sir Maurice Hodgson told shareholders at the AGM.

Although household goods have achieved a high sales level and food has made good progress, the overall trend has been weaker since then, he said. Local conditions have had an adverse effect in some areas.

Yearlings total £12.5m

Yearling bonds totalling £12.5m at 10½ per cent, redeemable on July 10 1985, have been issued by the following local authorities:—

Highland Regional Council £1.0m; St Helens Metropolitan Borough Council £0.5m; West Dorset District Council £0.5m; Doncaster MBC £1.0m; Swansea (City of) £1.0m; Edinburgh (City of) DC £1.0m; Solihull (Metropolitan Borough of) £1.0m; West Yorkshire Metropolitan County Council £0.5m; Dudley MBC £0.5m; Wirral (MB of) £0.5m; Aberdeen (City of) DC £0.5m; Cardiff (City of) £1.0m; Northampton BC £0.75m; Sheffield (City of) £2.0m.

GP Finance

The General Practice Finance Corporation has issued £2.25m of variable rate guaranteed stock, repayable June 1989. The issue, made at par and covered by Treasury Guarantee, was taken up by the National Debt Commissioners in one instalment on July 2.

BIDS AND DEALS

Kode paying £3m plus to expand activity base

BY TERRY GARRETT

Kode International is making its first acquisition since Mr Peter Smith moved in as managing director to replace departing company founder Mr Terry Darlow nearly two years ago.

The acquisition, which extends Kode's interests into computer manufacturing and servicing, is of the private owned Comart, and could cost up to £3.5m.

Although the deal involves a substantial amount of new shares coming on to the market the *share price rose 8p to 305p in* response to the news.

Kode is buying 81.49 per cent of Comart from Mr David Broad for £2.5m by way of an issue of 911,400 new ordinary shares—646,000 of which have been turned into cash for Mr Broad by a vendor placing. He will remain with the company as a consultant.

The move immediately increases Kode's equity by 20 per cent. It is the company's intention to buy out the minority, largely held by Comart's management, again financed through a share issue. This consideration will be related to future profits, but will not exceed 275,000 new shares.

Though often hinted at by the company, an acquisition proved elusive to the previous management. The present team, however, is actively looking for further takeovers and is currently talking to other parties.

Europe, in particular West Germany, is a likely target area and Mr Smith, who previously held a senior post in Europe for *Bendix, would like* to make a move into the U.S.

Initially that approach is likely to be the acquisition of a low technology equipment manufacturer to establish an American base.

With £2m of cash in the balance sheet future acquisitions will probably contain a cash element within the consideration.

The Comart acquisition gives Kode a manufacturing facility for business computers. In the year to June 1983 computers manufacture by Comart acounted for more than half of group sales.

This production ability has become increasingly important for Kode because of the difficulties of importing equipment from the U.S.

That aside, Mr Smith claims that the deal contains a high degree of "synergy" with Comart's products and customer base complementing those of Kode.

The directors of Comart have estimated that profits for the year just ended to June 30 were not less than £537,500 pre-tax, compared to £164,000 in the previous year.

On that basis Kode is buying the group on an earnings multiple of less than 10. And judging by the tone of Kode's statement the directors are obviously looking for a fairly rapid pay-back on the acquisition, although the targets set for Comart's management have not been disclosed.

Turning to its own trading, Kode states that the current year is in line with budgets and the directors expect a "significant improvement in the results for the full year." They are forecasting a 10p dividend, a rise of 13.6 per cent.

After the difficulties of the previous year, when Kam Circuits producing printed circuit boards ran into serious quality problems resulting in a full year profits fall from £1.37m to £1.12m, the City has been expecting a significant upturn in 1984 even though the Kam problem continued into the early weeks of this year.

Outside estimates were indicating over £1.8m pre-tax before the Comart acquisition which will make a second half contribution probably in excess of £300,000. Assuming a 40 per cent tax charge Kode's own prospective p/e is under 12.

ERIC hits out at the Cambridge defence

By Alexander Nicoll

Energy Recovery Investment Corporation (ERIC), the Luxembourg-registered company which is bidding for Cambridge Petroleum Royalties, yesterday produced a strongly-worded rejoiner to Cambridge's defence and urged shareholders to accept its offer.

ERIC challenged the valuation of Cambridge's royalty interests by DeGolyer and MacNaughton, a Dallas consulting firm. It said another consultant, ERC Energy Resource Consultants, had valued Cambridge's Brae interests at US$8.06m before corporation tax and $5.53m after tax. The Brae interests are an important part of Cambridge's royalties.

DeGolyer and *MacNaughton* had given a valuation for all Cambridge's royalties of $37.3m. Mr Christopher Jenner, Cambridge managing director, defended the valuation yesterday, saying that the Dallas firm "are regarded as the finest of the valuers."

The DeGolyer estimate gave Cambridge's shares an asset value of 662p, compared with the 449p which ERIC says is the value of its share offer—one ERIC for two Cambridge—and with its cash offer of 375p. The cash offer closes on Saturday.

ERIC said Cambridge had "rushed into a deal in Montana which may be uncommercial." Mr Jenner denied that it had rushed into the transaction, which covered 260,000 acres of petroleum leases, and said that the leases had been placed on areas where seismic structures had already been identified.

Cambridge's assertion that it plans to seek a full London Stock Exchange listing was, ERIC said, "totally misleading." It also disputed Cambridge's view that ERIC's Luxembourg-quoted shares were not marketable.

ERIC said a daily market in its shares was made in Luxembourg and through Heritable and General Trust in London. The largest recorded deal was for 10,000 shares at $11 in February and the most recent was 3,000 at $13.30 in May.

John Finlan despatches terms for Lincroft

By Alexander Nicoll

John Finlan, the building and development company chaired by Mr Graham Ferguson Lacey, yesterday despatched its offer *document for Lincroft Kilgour*, arguing that shareholders in the menswear group would get a better deal than through Lincroft's offer to buy its own shares.

Finlan's bid—25 of its shares for 41 Lincroft shares—is effectively a *rights* issue, *as* Finlan plans to sell divisions of Lincroft and use the funds to develop its own business.

Lincroft does not support the bid, but its largest shareholder, Drayton Consolidated Trust, has agreed to sell its 23.79 per cent *stake to Finlan*.

Mr Lacey said that in February, Lincroft requested shareholders' permission to buy 5 per cent of its shares for not more than 80p.

He added that Finlan had been almost twice as profitable as Lincroft and had *paid 2½* times more dividends per share.

Mr Lacey's Bermuda-based Amadeus group has a 20 per cent stake in Finlan, which will increase to 27.15 per cent following completion of the agreement with Drayton.

Finland is being advised by Arab Banking Corporation and Lincroft by Kleinwort Benson.

SAI to join Paguag for flexible oil pipe venture

SCOTTISH Agricultural Industries has agreed with Paguag, a West German producer of flexible piping, to form a new company for the production and marketing of high pressure flexible pipes for the offshore oil industry.

SAI's subsidiary, Scotoil, will contribute £3m to the new company, called Pagoflex, over the next three years. SAI itself is a 62.4 per cent owned subsidiary of ICI *and is primarily a manufacturer* of fertilisers, composts, animal feeds, and processer of farm seeds and peat.

Mr Quinton Brown, managing director of SAI, said yesterday: "There's no doubt that flexible pipe for the oil industry is a growth market, and our aim is to provide a very high specification and high quality pipe to meet this need, and to achieve a *reasonable share of* the market."

Scotoil will hold a 40 per cent interest in the company, with Paguag controlling the remaining 60 per cent. Scotoil will concentrate on marketing and servicing, while Paguag will deal with research, development, and production, Mr Brown said.

SAI first entered the oil-related business in 1982 to utilise surplus capacity created by the closing of a fertiliser works in Aberdeen.

UTD. News buys 49 shops

United Newspapers, publishers of Punch and a range of daily and weekly newspapers, has bought 49 confectionary, tobacco and newsagent shops of Mills (North British), from Thomson Regional Newspapers, in the Newcastle and Hull areas.

The outlets will complement United Newspapers' 65 shops operated under the United News Shops banner in South and West Yorkshire.

Mr David Stevens, chairman of United Newspapers, said yesterday: "We believe that substantial benefits will follow the increase in our retail interests from purchasing strength, management efficiencies and reduction in overheads."

A director of Thomson Regional explained: "Ownership of this chain did not fit in with our long term strategy."

Trafalgar hotel sale

Trafalgar House yesterday announced that it had completed the sale of the Cunard Cambridgeshire Hotel at Bar Hill, Cambridge, to **Queens Moat Houses**, the hoteliers, restaurateurs and caterers, for £3.5m. The sale includes a golf course and associated leisure facilities attached to the hotel.

Trafalgar House plans to expand its interests in the leisure sector by concentrating on the "five star" category which it said was represented by its ownership of QE2, four cruise ships, the Ritz Hotel London, and its Caribbean hotels.

The name of the hotel sold to Queens Moat is to be changed to Cambridgeshire Moat House.

BIDS AND DEALS IN BRIEF

Edward Group has agreed to acquire, subject to shareholders' consent and to re-registration, **Freeland Nursing Homes** for £735,000 in cash.

Principal assets of Freeland are Freeland House and Headford House, in Oxfordshire, and have been independently valued at £550,000 and £160,000 respectively.

* * *

Suter has increased its holding in **Francis Industries** to 4,775,000 ordinary shares, representing 42.54 per cent.

* * *

Fidelity — Caparo Industries has purchased a further 150,000 ordinary bringing its holding to 1.55m (13.56 per cent).

* * *

Jacksons Bourne End—Terrell SA has beneficially acquired 93,250 shares (8.78 per cent).

* * *

Inchcape Overseas, a wholly owned sub of Inchcape, has ceased to have a notifiable interest in the ordinary shares of **Ocean Wilson Holdings**. Discretionary clients of Baa Bros (which owns a negligible number of shares), together with its discretionary clients now own 7,777,080 shares (29.36 per cent). Other notifiable holdings in Ocean Wilson show: Scottish cities investment trust 2,074,180 ordinary (7.84 per cent) and Scottish and Mercantile Investment 5,627,180 ordinary (21.26 per cent), which *includes* the holdings of Fashion and General Investment and the Scottish Cities Investments.

* * *

The offer by **East Midland Allied Press** for up to 29.99 per cent of **Lincolnshire Standard Group** has closed.

Acceptances have been received in respect of 4,560 LSG ordinary (0.83 per cent), 2,028 were for the share alternative and 2,532 for the cash alternative. EMAP held no shares in LSG prior to the offer.

The increased offer is now fully unconditional.

* * *

Jessel Toynbee and Gillett shareholders who elected for the Mercantile House loan note alternative in respect of 50 per cent or less of their acceptance will receive the full amount of loan notes for which they have elected.

Shareholders who elected for the loan note alternative in respect of more than 50 per cent of their acceptance will receive loan notes for 50 per cent of their acceptance, and loan notes for 23.924941 per cent of the balance of their election in excess of 50 per cent of their acceptance. Shareholders who elected in full for the loan note alternative will receive loan notes in respect of 61.9624706 per cent of their acceptances.

* * *

British Benzol Carbonising has reached agreement in principle to acquire the capital of **Energy and Commodity Trading**. The initial consideration will be £500,000 payable in cash on completion.

In addition, the vendors of ECT will be entitled to receive deferred consideration of an amount equal to the profits (before tax and extraordinary items) of ECT for the years ending March 31 1985 and March 31 1986.

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Deminex UK Oil and Gas has acquired **Union Rheinische UK**, the UK subsidiary of Union Rheinische Braunkohlen Kraftstoff AG.

* * *

Executex Clothes. Mr R. G. Warrington, as a trustee, has transferred 137,500 ordinary (6.4 per cent) to Mr M. A. Black. Mr M. Sawbridge has taken an interest in 117,500 ordinary (5.3 per cent).

* * *

As at June 30, 1984, shares and rights over shares held in investment portfolios managed on a discretionary basis by **Henderson Admin Group**, which represented an aggregate 15 per cent or more of the voting rights of the companies in which such investments are held were: Greenfriar Investment Company 3,902,472 shares; Henderson Admin Group 7,914,052 shares, and Lowland Investment Company 2,333,748 shares.

* * *

City and Foreign Investment reports that as at June 30 shares and rights over shares held in the investment portfolio managed on a discretionary basis by Montagu Investment Management representing in aggregate 15 per cent (or more of voting rights of the company) in which such investments are held were as follows — 735,100 shares (18.3 per cent).

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Acceptances for the **Saatchi and Saatchi** offer for **Garrison Cowley** have reached 94.09 per cent for the ordinary shares. The offer is now unconditional as to acceptances.

* * *

Mr J. D. Slater, an associate of Yelverton Investments, has sold, and his family trust has bought, 300,000 shares in Southend Stadium.

* * *

BRITISH Electric Traction, which is bidding for shares it does not already own in Initial, the laundry and cleaning group, has acquired shares raising its stake to 41.15 per cent from 40.7 per cent. It now holds 22.4m shares.

* * *

Floyd Oil Participations announces that its offer to Occidental Petroleum (Caledonia) for a 0.5 per cent working interest in the Claymore Oil Field has been accepted subject to contract and approval of the other participants and the Secretary of State for Energy.

The purchase consideration will amount to US$6.3m (£4.5m).

MINING NEWS

N. Broken Hill raises EZ bid terms

BY GEORGE MILLING-STANLEY

AUSTRALIA'S **North Broken Hill Holdings** has altered the mix of cash and shares in its A$520m (£330m) takeover bid for **EZ Industries**, following discussions between the two companies.

This is the first time since before the bid was launched three weeks ago that there has been any formal indication of talks between NBH and EZ, even though the two companies have been associated since NBH was a founding shareholder of EZ as long ago as 1916. Certainly the original offer came as a surprise to EZ's management, which recommended shareholders not to accept.

The revised terms are 11 NBH shares and A$1.20 in cash for every four EZ shares held, compared with two NBH shares and A$1.50 for each EZ share. NBH said yesterday that the offer is now unconditional, and that the revised bid values each EZ share at A$6.30, based on NBH's closing price in Melbourne of A$2.18.

In London last night, NBH were unchanged at 142p, while EZ gained 15p to 390p.

NBH, which held a stake in EZ of around one-third before it launched its bid, has already moved to secure control by purchases in the market which lifted its interest to 50.1 per cent within a few days.

A combination between the two companies has been mooted on a number of occasions over the years, as the operations of both are clearly complementary.

EZ has base metal mines with important precious metals by-products in Tasmania and New South Wales, a base metal refinery at Risdon, also in Tasmania, and a stake of just under one-third in Energy Resources of Australia, which operates the big Ranger uranium mine in the Northern Territory.

NBH has silver, lead and zinc mines in New South Wales, and the bulk of its production of concentrates is processed at the Risdon refinery.

Other interests include **Associated Pulp and Paper Mills**, but NBH's chairman, Mr Leith Jarman, said at last November's annual meeting that the group planned to raise the contribution to profits coming from operations, rather than as investment income, and would be prepared to sell some of its investments in order to develop its operations if necessary.

The takeover of EZ clearly fits in with this philosophy, and the combined group constitutes one of the largest mining houses in Australia.

Ok Tedi hopes to start gold production soon

GOLD PRODUCTION from the big new OK Tedi mine in Papua New Guinea is to start within the next few days, according to news agency reports from Port Moresby.

The mine was officially opened in the middle of May, but the operation has encountered technical problems since the first gold-bearing ore was loaded into the semi-autogenous grinding mill at that time.

Almost all of these problems have apparently now been overcome, and the mine will soon start to build up to its planned daily throughput of 17,500 tonnes of ore.

Shareholders in the OK Tedi mining consortium are Australias Broken Hill Proprietary and Standard Oil of Indiana, each with 30 per cent, and the Papua New Guinea Government and Germany's Kupferexplorationsgesellschaft, each with 20 per cent.

UK COMPANY NEWS

Tesco aims to expand in London

TESCO'S new out-of-town units with full food and non-food ranges, garden centres and surface level car parking, are proving highly attractive to customers.

No longer does the company develop primarily to maximise available physical space; "our objective is to create an attractive shopping environment," say the directors in Tesco's annual report.

Ideally, the company's new stores will be single storey, with surface car parking, garden centres, petrol filling stations, wide aisles and bright interiors.

They will have a gross area of around 60,000 sq ft providing some 40,000 sq ft of net selling area.

This does not mean, however, that Tesco has any intention of foregoing its traditional position nearer the city centre, says Sir Leslie Porter, the chairman.

Indeed, Tesco is particularly keen on improving its presence in and around London. A major redevelopment of 12 acres of the British Rail Property Board site at Neasden on the North Circular Road, started in December.

The main feature of the first phase of development will be a major new 60,000 sq ft net selling area superstore, which will be the largest of its kind in the London area with 45 checkouts and surface parking for 1,000 cars. The store will open in 1985.

During the 1983-84 financial year, Tesco opened five new stores in the UK, three in the Irish Republic and completed two major extensions.

Seven new stores are planned to open in the current year plus two extensions. With three additional stores in the Republic, the company will be adding a further 370,000 sq ft of new selling area.

Since 1975, the company has increased its sales area from 4.56m sq ft to 7.36m sq ft in 1984.

An analysis of sales area under size of stores reveals that Tesco over the past nine years has shifted its emphasis towards stores in excess of 25,000 sq ft.

In 1975, stores in excess of 25,000 sq ft only accounted for 11 per cent of Tesco's total selling area but by 1984 these stores occupied some 50 per cent.

Stores up to 5,000 sq ft, on the other hand, were responsible for 23 per cent of space in 1975 but only 5 per cent in 1984.

The other two size banks 5,000 to 10,000 sq ft and 10,000 to 25,000 sq ft also occupied less of the total group space in percentage terms in 1984.

The former of the two's share fell from 28 per cent to 13 per cent and the latter from 38 per cent to 32 per cent, despite an increase in this band's total space from 1.71m to 2.35m sq ft.

Tesco, in its accounts, has also shown graphically a breakdown of sales area between grocery and Home 'n' Wear operations over the past five years.

Between 1980 and 1983, inclusive, grocery activities accounted for around 66 per cent of the total sales area but by 1984 this had increased to 70 per cent, amounting to 5.1m sq ft.

The analysis of Home 'n' Wear is split into two: the first showing sales area occupied on the ground floor and the second showing area taken up on other floors.

Ground floor sales area for Home 'n' Wear rose from 1.26m sq ft in 1980 to 1.51m sq ft in 1984, although it shed 8,000 sq ft of space between 1983-84, representing a static 20 per cent of the total over the past five years.

Sales area for other floors in 1975 was 848,000 sq ft (14 per cent of the total) and by 1983 it had reached 1.02m sq ft (still 14 per cent). But since then it has declined in both terms of actual space occupied and as a percentage of the total selling area. In 1984 it had 759,000 sq ft of space and accounted for 10 per cent of the total 7.36m sq ft of sales area.

The number of stores with over 25,000 sq ft of sales area is now in excess of 90 compared with under 20 in 1975.

As previously reported on June 14, Tesco increased its turnover in 1983-84 by 14.1 per cent to £2.59bn, excluding VAT representing a volume gain of 8 per cent. Pre-tax profits emerged higher at £67.4m compared with £53.5m.

As at the February 25 year end, shareholders funds stood at £335.3m, against £321.3m, and total assets less current liabilities amounted to £434m (£397.5m).

The accounts also show that the chairman's salary rose from £62,486 to £81,546 and that six directors now earn in excess of £90,000 compared with one in 1982-83.

The annual meeting will be held at the Connaught Rooms, Great Queen Street, London, on July 27 at 10 am.

TURNOVER AND PROFITS

	1979-80 (£m)	*1980-81 (£m)	1981-82 (£m)	1982-83 (£m)	1983-84 (£m)
Turnover (less VAT)	1,330.6	1,820.7	1,994.4	2,276.6	2,594.5
Pre-tax profit	36.5	35.6	42.7	53.5	67.4

EMPLOYEES AND SALES AREA

	('000)	('000)	('000)	('000)	('000)
Employees†	39.9	38.8	40.4	40.4	40.4
Sales area‡	6,210	6,540	7,203	7,425	7,362

* 53-week period. † Average number of full-time equivalent employees in the UK. ‡ In square feet.

Sainsbury's growth set to continue this year

THE YEAR so far has seen a "very satisfactory increase in trade and customer numbers" for Sainsbury's, Sir John Sainsbury reported at the annual meeting. The food retailing chain "looks forward to another good year."

In his address to shareholders, Sir John pledged that he would continue to press the Government to improve town planning machinery. The effects of the present system were "strongly anti-competitive," and the delays on important decisions far too long. As a result, the country was still ill-provided with modern, efficient supermarkets, he said.

Sir John welcomed the Office of Fair Trading fact-finding exercise on the food trade, and maintained that complaints by large manufacturers and small retailers over the detrimental effect of low prices on their businesses revealed their reluctance to adapt to a vigorously competitive and changing commercial climate.

Strong management and a swift response to the needs of the consumer were the keys to ensuring a prospering company, as well as ensuring the best interests of the shopper," he said.

Sainsbury's plans to improve efficiency over the next year, and is to introduce an additional packing service at checkouts at a cost of £4m a year, he added.

British Intelligence tops £3m and more growth seen

British Intelligence Services pushed its pre-tax profits up from £2.7m to £3.35m over the year to end-February 1984 with all mainstream activities showing solid improvement.

Mr Brian Allison, chairman and chief executive, says the group's four main businesses grew ad were "very profitable."

Turnover expanded from £23m to £31.1m, an increase of 35 per cent — the group is an international management information and communications specialist.

The 24 per cent increase in profits before tax was achieved after writing off more than £2m for the development of new products, primarily new banking systems software, as well as absorbing the costs of the group's major new thrust into insurance systems.

An important element of the group's profitability was an increase in margins achieved by both its direct marketing and marketing research operations as a result of strong demand and efficient management.

The group has continued its acquisition strategy by acquiring 40 per cent of Johnston Brown & Associates, the leading Australian and international computer services company, and by taking a majority holding in Cross Computer Group, specialists in reinsurance systems.

It has also made smaller investments in specialist marketing research and information companies, with a resulting total investment in acquisitions this year in the region of £1m.

A key element in the group's growth strategy is the development of overseas business. This year BIS Software maintained its position as a world leader in banking systems, winning 80 per cent of its business outside the UK. The marketing research companies achieved 80 per cent of its sales overseas.

Mr Allison says the net worth of the group has increased to almost £6m, after this year's write-offs of development costs and acquisition goodwill.

For the future, he expects to maintain the growth rate that has been achieved over the past five years, and looks forward to reaching a turnover in the region of £40m with maintained margins, in the current year.

Shareholders are told that the group has a "formidable array" of new weapons for the future and is confident of the continuing success of its strategy of providing management information and communication products and services within the new electronic society.

Operating profits for the 1983/84 year rose to £3.16m (£2.5m) before adding in net interest and similar income of £239,000 (£196,000) and deducting a £51,000 share of related companies losses.

Difficult year at Toothill

The 1983-84 trading year at R. W. Toothill, furniture manufacturer, was difficult, with levels of demand fluctuating considerably.

However, despite virtually unchanged sales for the 12 months to end-March of £4.55m, against £4.54m, the company managed to increase its taxable profit from a restated £292,000 to £325,000.

But Mr E. R. Hall, the chairman, warns that the furniture trade has been weak in recent months and it appears that profits for the opening six months of the current year will be below the £155,000 attained in the comparable period.

The final dividend is being lifted by 0.5p to 4.5p, which raises the total payout to 7.5p (7p) net per 25p share.

Pre-tax profits were struck after all charges, including depreciation, and also amounts written-off for fixed assets of £58,000 (£43,000). Tax payable was unchanged at £134,000 and there were extraordinary credits this time of £9,000.

Mr Michael Hall has been appointed deputy chairman and managing director.

CONTRACTS

£13m order for Thorn EMI Electronics

A £13m contract has been placed with **THORN EMI ELECTRONICS** by the Ministry of Defence for a new type of hand-held thermal imager for service with the British Army. The imager has been developed using private venture funding at Thorn EMI Electronics' defence systems division. It is based on modified modules developed from the UK Class 1 thermal imaging common module. The improvement in performance-to-weight ratio has been achieved by exploiting the latest advances in thermal imaging technology. Weighing less than 5 kg it is suitable for a range of uses requiring a high degree of mobility — such as reconnaissance, mortar fire control and forward observation. In the civil sector, applications include use by fire services, police, search and rescue, marine agencies and coastguards. The images operates by detecting radiation of infra-red energy. Independent of ambient light, it can also "see" through smoke, haze, mist and most forms of camouflage. Unlike image intensifiers it is not blinded by flares or searchlights and exhibits the same characteristics by both day and night.

*

The **ROYAL MAIL** has won a £1m contract to deliver the American magazine National Geographic to 200,000 subscribers in the U.K. for the next 12 months. Each month the magazines will be wrapped, addressed and pre-sorted into postcode areas at the publisher's depot in Mississippi, U.S. Then, instead of being mailed direct from America, they will be shipped in containers to the Post Office in London for distribution by the Royal Mail. The first consignment is arriving in August. The deal is seen as a first step in establishing the British Post Office as a major distributor of international publications.

*

SIR ALFRED McALPINE & SON (NORTHERN) has been awarded a contract worth around £3m by the North Western Regional Health Authority for the Phase I redevelopment at Queens Park Hospital in Blackburn, Lancashire. Work involves construction of a three-storey single cruciform-shaped ward block with a reinforced concrete structural frame and steel roof members. The contract period is two years. The company also has a contract worth over £1m from JCB transmissions for construction at Wrexham, Clwyd. Work involves a 4,935 sq metre factory extension of portal steel frame and steel cladding with loading dock facilities, and a 84 sq metre office extension with external walls of mirrored glass. Surrounds will be enhanced by the construction of a helipad and carpark. Work will continue until December.

*

MUIRHEAD has an order from the Ministry of Defence for digital facsimile equipment within the Ptarmigan system which, with supporting spares, will be worth over £9m. This system is a joint British and German government-funded development in co-operation with the Doctor Hell division of the Siemens Company.

*

Refurbishment, alteration and fitting out contracts worth over £3.5m in all been awarded to **TROLLOPE AND COLLS (CITY)**. Several of the contracts are prestige offices — including fitting out the new headquarters of the Bank of Nova Scotia in Finsbury Square, EC2. The work is valued at £1m and includes construction of a new banking hall with dealers area, computer room and telecommunications. There are two floor of directors' offices with boardrooms, separate canteens, showers and dining rooms. At 9 Devonshire Square, EC2, the company is fitting out executive offices and dealers area for Lehman Bros. Kuhn Loeb. The dealers area incorporates a raised floor to house fibre optics cables. Cost is £780,000. At Catherine House in Surbiton, for the Winchester House Property Company, the company is fitting out the building for offices with full catering facilities. Valued at £600,000, the project includes a self-contained computer installation for occupation by the Distillers Company.

In Regent Street, the company is to undertake the refurbishment of three floors of offices for Qantas Airways, at a cost of £235,000. At Rickmansworth Girls School in Hertfordshire, fire escapes, alarms, and emergency lighting are being installed in eight dormitory blocks at a cost of £360,000. The work is taking place during term time with only minimum disruption to the school. Among four jobs recently awarded to Bridge Walker, associate company to Trollope and Colls (City) is a contract for renovation work to Cardinal and Sion Manning Schools for the Diocese of Westminster. £432,000 is to be spent on extensive repairs including the reinstatement of the concrete frame and brickwork. Trollope and Colls (City) is part of Trollope and Colls Holdings, UK building division of Trafalgar House.

*

S. WERNICK & SONS has won three contracts worth a total of £484,000. Largest is neighbourhood office at a cost of £360,000 at Isledon Road for the London Borough of Islington, as part of its decentralisation programme.

BASE LENDING RATES

A.B.N. Bank	9¼%	Heritable & Gen Trust	9¼%
Allied Irish Bank	8¾%	■ Hill Samuel §	9¼%
Amro Bank	9¼%	C. Hoare & Co. †	9¼%
Henry Ansbacher	9¼%	Hongkong & Shanghai	9¼%
Armco Trust Limited	9¼%	Kingsnorth Trust Ltd	10 %
Associates Cap. Corp.	9 %	Knowsley & Co. Ltd.	9¼%
Banco de Bilbao	9¼%	Lloyds Bank	9¼%
Bank Hapoalim BM	9¼%	Mallinhall Limited	9¼%
BCCI	9¼%	Edward Manson & Co.	10¼%
Bank of Ireland	9¼%	Meghraj and Sons Ltd.	9¼%
Bank of Cyprus	9¼%	Midland Bank	9¼%
Bank of India	9¼%	■ Morgan Grenfell	9 %
Bank of Scotland	9¼%	National Bk. of Kuwait	9¼%
Banque Belge Ltd.	9¼%	National Girobank	9¼%
Barclays Bank	8¾%	National Westminster	8¾%
Beneficial Trust Ltd.	10 %	Norwich Gen. Tst.	9¼%
Bremar Holdings Ltd.	9¼%	People's Tst. & Sv. Ltd	10 %
Brit. Bank of Mid. East	9¼%	R. Raphael & Sons	9¼%
■ Brown Shipley	9¼%	P. S. Refson & Co.	9¼%
CL Bank Nederland	9¼%	Roxburghe Guarantee	9¼%
Canada Permn't Trust	9¼%	Royal Trust Co. Canada	9¼%
Castle Court Trust Ltd.	9¼%	■ J Henry Schroder Wagg	9¼%
Cayzer Ltd.	8¾%	Standard Chartered ‖	9¼%
Cedar Holdings	9 %	Trade Dev. Bank	9¼%
■ Charterhouse Japhet	9¼%	TCB	9¼%
Choulartons	10¼%	Trustee Savings Bank	8¾%
Citibank NA	9¼%	United Bank of Kuwait	9¼%
Citibank Savings ¶	9¼%	United Mizrahi Bank	9¼%
Clydesdale Bank	9¼%	Volkskas Limited	9¼%
C. E. Coates & Co Ltd.	10¼%	Westpac Banking Corp	9¼%
Comm. Bk. N. East	9¼%	Whiteaway Laidlaw	9¼%
Consolidated Credits	9¼%	Williams & Glyn's	9¼%
Co-operative Bank *	9¼%	Wintrust Secs Ltd.	9¼%
The Cyprus Popular Bk	9¼%	Yorkshire Bank	9¼%
Dunbar & Co. Ltd.	9¼%		
Duncan Lawrie	9¼%		
E. T. Trust	9¼%		
Exeter Trust Ltd.	10¼%		
First Nat. Fin. Corp.	11 %		
First Nat. Secs. Ltd.	10 %		
Robert Fraser	9¼%		
Grindlays Bank ‡	9¼%		
■ Guinness Mahon	9¼%		
■ Hambros Bank	9¼%		

■ Member of the Accepting Houses Committee.
* 7-day deposits 5.75%. 1-month 5.5%. Fixed rate 12 months £2,500 8.5%. £10,000. 12 months 8%.
† 7-day deposits on sums of under £10,000 5%. £10,000 up to £50,000 6¼%. £50,000 and over 7¼%.
‡ Call deposits £1,000 and over 5¼%.
‖ 21-day deposits over £1,000 7%.
§ Demand deposits 5¼%.
¶ Mortgage base rate.

Public Works Loan Board rates

Effective July 4

Years	Quota loans repaid by EIP†	A‡	at maturity§	Non-quota loans A* repaid by EIP†	A‡	at maturity§
Three	11¼	11¾	11¼	12¼	12¾	13
Over 3, up to 4	11¼	11¾	12¼	12¼	12¼	13
Over 4, up to 5	11¼	11¼	12¼	12¼	12¾	13
Over 5, up to 6	12	12	12¼	12¾	12¾	12¾
Over 6, up to 7	12¼	12¼	12¼	12¼	12¼	12¾
Over 7, up to 8	12¼	12¼	12¾	12¾	12¾	12¾
Over 8, up to 9	12¾	12¼	12¼	12¼	12¼	12¾
Over 9, up to 10	12¾	12¾	12¼	12¼	12¼	12¼
Over 10, up to 15	12¼	12¼	11¾	13	12¼	12¼
Over 15, up to 25	11¾	11¾	11¼	12¼	12¼	12
Over 25	11¼	11¾	11¾	12	11¾	11¾

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1980=100); engineering orders (1980=100); retail sales volume (1978=100); retail sales value (1980=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unem-ployed	Vacs.
1983							
1st qtr.	99.6	94.5	86	105.5	115.9	3,002	124
2nd qtr.	99.5	94.1	92	107.3	119.7	2,987	133
3rd qtr.	101.6	96.2	94	109.2	124.0	2,956	160
4th qtr.	103.0	97.3	96	110.3	131.4	2,941	162
November	102.6	96.7	95	110.9	141.0	2,937	163
December	104.1	98.7	101	111.0	176.6	2,946	153
1984							
1st qtr.	103.1	97.7	95	108.5	122.3	2,998	147
January	104.5	98.3	97	107.7	123.4	2,976	148
February	102.9	96.7	96	109.5	122.4	3,005	148
March	101.9	97.9	93	108.3	121.2	3,012	147
April	101.7	98.3		112.2	131.4	3,011	148
May				110.7	130.6	3,029	156

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1980=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1983							
1st qtr.	95.7	91.9	105.0	93.2	100.0	88.8	18.1
2nd qtr.	95.5	90.1	105.8	92.2	104.4	88.8	20.8
3rd qtr.	97.4	91.2	108.6	93.5	105.7	90.4	17.6
4th qtr.	98.2	92.5	110.1	95.3	108.4	92.3	14.9
October	98.0	91.0	109.0	94.0	110.0	91.0	18.5
November	98.0	93.0	110.0	94.0	104.9	92.9	18.2
December	99.0	95.0	111.0	98.0	111.0	94.0	11.1
1984							
1st qtr.	97.4	93.1	110.4	95.9	113.4	90.4	16.3
January	96.0	94.0	112.0	97.0	116.0	90.0	13.9
February	97.0	92.0	111.0	95.0	107.9	89.9	16.8
March	98.0	93.0	108.0	96.0	117.0	92.9	18.9
April	99.0	94.0	106.0	96.0	111.0	91.0	16.3

EXTERNAL TRADE—Indices of export and import volume (1980=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1980=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1983							
1st qtr.	102.3	104.5	+203	+1,589	+1,801	97.9	17.34
2nd qtr.	100.3	106.5	−460	−39	+1,531	98.1	17.71
3rd qtr.	99.3	106.6	−248	+828	+1,521	99.2	17.90
4th qtr.	107.4	112.7	+5	+596	+2,123	98.6	17.82
November	104.8	108.2	+71	+195	+661	98.7	18.10
December	114.3	113.1	+358	+701	+901	98.7	17.82
1984							
1st qtr.	109.5	112.5	−59	+836	+2,316	97.4	16.73
January	101.8	111.7	−324	−25	+719	98.1	17.78
February	115.4	110.2	+492	+791	+821	97.4	17.58
March	111.3	117.9	−227	+72	+776	96.9	16.75
April	104.4	122.9	−838	−588	+370	96.7	15.94
May	108.5	115.8	−319	−69	+495	96.9	15.84
June							15.51

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Clearing Bank base rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	Base rate %
1983							
1st qtr.	9.5	8.1	10.6	+4,456	1,174	2,520	10.50
2nd qtr.	15.2	14.6	15.0	+5,087	1,071	2,540	9.50
3rd qtr.	8.5	8.4	24.6	+1,491	2,098	2,646	9.50
4th qtr.	10.4	8.8	18.9		2,745	2,818	9.00
November	7.3	6.8	22.6	+1,413	670	959	9.00
December	15.3	15.2	11.9		888	981	9.00
1984							
1st qtr.	10.1	8.2	13.6		2,609	2,912	8.50
January	7.6	11.5	12.3		926	969	9.00
February	7.8	8.6	12.4		954	1,007	9.00
March	14.8	7.1	16.1		729	936	8.50
April	23.4	7.4	17.3		683	926	8.50
May	28.3	10.7	19.2		482	1,030	9.12
June							9.25

INFLATION—Indices of earnings (Jan 1980=100); basic materials and fuels, wholesale prices of manufactured products (1980=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

	Earn-ings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1983							
1st qtr.	144.7	124.6	121.8	327.0	302.1	277.29	80.5
2nd qtr.	148.0	123.6	124.2	333.7	306.3	272.89	84.3
3rd qtr.	150.9	124.7	125.1	338.0	310.4	288.14	84.3
4th qtr.	153.2	128.4	126.7	341.8	316.4	298.59	83.2
November	152.8	127.4	126.8	341.9	316.1	288.10	83.7
December	155.1	131.6	127.3	342.8	318.5	298.59	82.5
1984							
1st qtr.	153.6	133.5	129.0	343.9	321.7	308.67	81.7
January	152.7	133.5	128.0	342.6	319.8	295.75	81.0
February	153.7	134.2	128.8	344.0	321.4	291.34	82.2
March	154.2	132.9	130.2	345.1	323.8	306.67	81.0
April	154.4	133.7	131.7	349.7	327.3	305.89	80.1
May		133.8	132.2	351.0	329.4	312.45	80.0
June						305.06	79.4

* Not seasonally adjusted.

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FINANCIAL TIMES
Thursday July 5 1984

Well-received launch for $100m Coca-Cola Eurobond, Page 42

WALL STREET

Refunding amid retail drought

BOND markets on Wall Street today face an auction of $4bn of 20-year U.S. Treasury bonds – the last leg of a $15.5bn mini-refunding – with some uncertainty, *writes Terry Byland in New York.*

Prices closed sharply higher ahead of the July 4 holiday, helped by a favourable outcome to Tuesday's sale of $5.51bn in seven-year notes. But the market had almost closed down for the

Wall Street markets were closed yesterday for the Independence Day holiday.

holiday by the time the auction result was known, and the late gains in prices reflected little in the way of real business.

Tuesday's auction brought an average yield of 13.83 per cent on the seven-year notes. It goes almost without saying that this was the highest for two years, and reflects the continued rush by investors towards the short end of the credit markets. Fund managers prefer their new bond acquisitions to have maturities of less than four years.

The yield was about seven basis points lower than had been seen earlier this week in the when-issued market, where the notes traded on a yield-only basis ahead of the auction. The prospective yield bad already been trimmed to just above the auction rate by midsession on Tuesday when the auction got under way.

But retail demand has remained virtually non-existent in the credit markets over the past week, and traders face difficulties in selling the notes to their customers.

The bond market has already taken severe punishment at the two previous Treasury auctions beld earlier this year, which were both followed, a few weeks later, by a sudden collapse in bond prices as traders cut their losses and sold stock at fire sale prices.

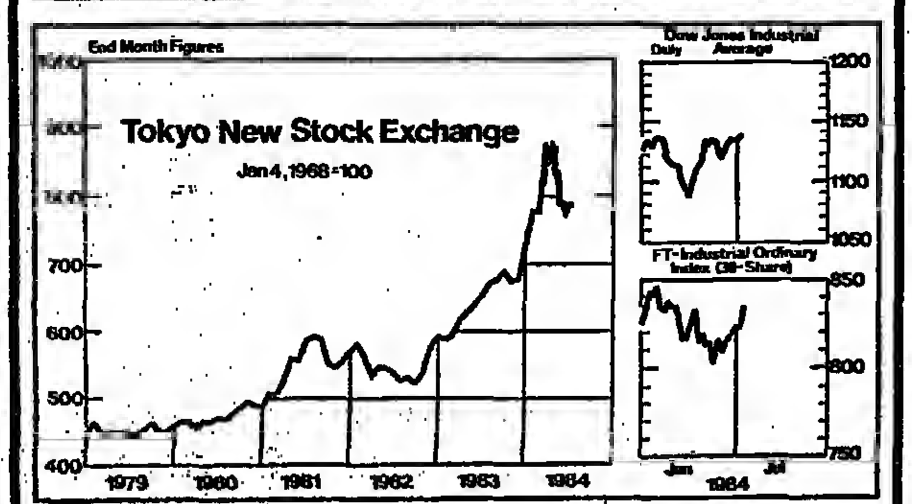
The first leg of the current auction, of $6bn in four-year Treasury notes, passed *off successfully, although the average* rate rose by 162 basis points from the previous sale of similar Treasury issues. A major attraction for fund managers is the price stability of the four-year note, which returns a yield comparable with the longer-dated issues.

Today's auction of 20-year bonds will be keenly watched as an indicator of the immediate prospects for the bond market, which has been falling sharply on inflationary fears. Prices are notoriously volatile at this end of the market and the upturn late on Tuesday could prove vulnerable should traders await the auction result.

The new bonds have one market point in their favour. Traders will want to buy the bonds for "stripping" operations, in which the dividend coupon is stripped out, leaving the bond available for trading as a zero-coupon issue, a form attractive to the current market.

However, zero-coupon conversion bas not proved an adequate antidote to the absence of retail interest at past auctions. Earlier in the week, the pre-auction market was showing yields of 13.82 per cent on the prospective new bonds – it was trimmed to 13.78 per cent on Tuesday. *Early when-issued trading today* will provide some indication of just how far Wall Street is from a 14 per cent yield at the long end of the bond market.

KEY MARKET MONITORS



STOCK MARKET INDICES

NEW YORK	July 4	Previous	Year ago
DJ Industrials	closed	1,134.28	1,225.26
DJ Transport	closed	479.42	586.61
DJ Utilities	closed	124.37	128.92
S&P Composite	closed	153.70	168.64
LONDON			
FT Ind Ord	834,1	821.3	696.6
FT-SE 100	1,063.3	1,050.2	967.5
FT-A All-share	497.94	491.87	446.44
FT-A 500	540.87	534.58	484.05
FT Gold mines	599.8	606.3	617.2
FT-A Long gilt	10.99	11.03	10.42
TOKYO			
Nikkei-Dow	10,375.84	10,349.25	9,871.58
Tokyo SE	789.39	789.12	659.75
AUSTRALIA			
All Ord.	663.4	656.2	608.1
Metals & Mins.	426.7	419.0	535.3
AUSTRIA			
Credit Aktien	53.96	53.91	55.36
BELGIUM			
Belgian SE	142.16	141.43	128.69
CANADA	July 4	Prev.	Yr ago
Toronto			
Metals & Minls	1,833.9*	1,835.5	—
Composite	2,215.4*	2,220.8	2,459.9
Montreal			
Portfolio	107.79*	109.27	123.48
DENMARK			
Copenhagen SE	181.76	181.53	155.81
FRANCE			
CAC Gen	171.4	170.4	125.4
Ind. Tendance	110.0	109.3	77.9
WEST GERMANY			
FAZ-Aktien	340.96	342.08	325.25
Commerzbank	983.0	987.9	965.7
HONG KONG			
Hang Seng	850.33	861.83	1,035.97
ITALY			
Banca Comm.	208.39	207.25	188.84
NETHERLANDS			
ANP-CBS Gen	158.5	157.2	136.1
ANP-CBS Ind	127.2	126.7	110.3
NORWAY			
Oslo SE	236.49	230.2	187.32
SINGAPORE			
Straits Times	901.0	894.98	978.98
SOUTH AFRICA			
Golds	976.1	977.8	886.2
Industrials	1021.1	1023.1	954.0
SPAIN			
Madrid SE	126.88	125.81	116.41
SWEDEN			
J & P	1,489.68	1,502.43	1,375.88
SWITZERLAND			
Swiss Bank Ind	362.5	361.1	333.6
WORLD	July 3	Prev	Year ago
Capital Int'l	174.0	174.3	181.2

GOLD (per ounce)

	July 4	Prev
London	$369.25	$368.25
Frankfurt	$369.25	$368.50
Zürich	$369.00	$368.50
Paris (fixing)	$370.26	$369.97
Luxembourg (fixing)	$370.25	$369.80
New York (July)	closed	$369.70

* Latest available figure

CURRENCIES

	U.S. DOLLAR		STERLING	
(London)	July 4	Previous	July 4	Previous
$	–	–	1.336	1.3375
DM	2.817	2.821	3.7625	3.77
Yen	239.8	239.65	319.75	320.25
FFr	8.64	8.655	11.535	11.565
SwFr	2.364	2.367	3.155	3.1625
Guilder	3.178	3.181	4.24	4.25
Lira	1729.0	1730.0	2310.0	2308.0
BFr	57.285	57.335	76.5	76.5
C$	1.32275	1.31875	1.7655	1.763

INTEREST RATES

	July 4	Prev
Euro-currencies (3-month offered rate)		
£	9 11/16	9⅝
SwFr	4⅝	4⅝
DM	6	6
FFr	12½	12½
FT London Interbank fixing (offered rate)		
3-month U.S.$	12 9/16	12 7/16
6-month U.S.$	12⅞	12 11/16
U.S. Fed Funds	closed	10
U.S. 3-month CDs	closed	11.85
U.S. 3-month T-bills	closed	9.93

U.S BONDS

Treasury		July 3 Price	Yield	Prev Price	Yield
13	1986	99 27/32	13.09	99 22/32	13.15
12⅞	1991	93 30/32	13.75	93 22/32	13.83
13⅛	1994	96 11/32	13.78	96 ⅜	13.85
13¼	2014	98	13.52	97 ⅞	13.64

Corporate	July 3* Price	Yield	Prev Price	Yield
AT & T				
10⅜ June 1990	86⅜	13.90	86⅜	13.90
3⅞ July 1990	70½	10.70	70½	10.70
8¾ May 2000	66½	14.10	66½	14.10
Xerox				
10⅞ March 1993	82½	14.25	82½	14.25
Diamond Shamrock				
10⅞ May 1993	81⅝	14.35	81⅝	14.35
Federated Dept Stores				
10⅞ May 2013	75	14.25	75	14.25
Abbot Lab				
11.80 Feb 2013	83⅝	14.25	83½	14.25
Alcoa				
12¼ Dec 2012	83⅝	14.70	83⅝	14.70

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT)				July 3
8% 32nds of 100%				
Sept	60–16	60–17	59–17	59–22
U.S. Treasury Bills (IMM)				
$1m points of 100%				
Sept	89.13	89.15	88.91	88.95
Certificates of Deposit (IMM)				
$1m points of 100%				
Sept	87.42	87.42	87.22	87.30
LONDON				July 4
Three-month Eurodollar				
$1m points of 100%				
Sept	87.36	87.39	87.33	87.22
20-year Notional Gilt				
£50,000 32nds of 100%				
Sept	101–01	101–14	101–00	100–31

COMMODITIES

(London)	July 4	Prev
Silver (spot fixing)	609.55p	612.00p
Copper (cash)	£1000.50	£1001.50
Coffee (July)	£2207.50	£2185.00
Oil (spot Arabian light)	$27.90	$27.97

LONDON

Progress as sellers stay away

A FIRM improvement in leading share values in London was attributable more to stock shortages than to any early indication of an impending shift in market sentiment.

Business volume in both equities and gilts was on the low side although one or two smaller institutional buyers of equities were initially active.

Fresh attempts to find a solution to the UK mineworkers dispute, together with a slight easing of the upward pressures on U.S. interest rates, encouraged early demand, having helped to soothe London anxieties over dearer money trends.

The FT Industrial Ordinary index added 12.8 to end at the day's best of 834.1, reflecting the shortage of stock, since not one of the constituents registered a double figure gain.

Many financials also advanced impressively amid light demand but scarce supply, led by the life assurance sector.

Longer dated government stocks closed slightly off their best for the day, but still with rises extending to ¾ while some low coupon shorts were also popular, closing around ⅛ ahead.

Chief price changes, Page 34; Details, Page 35; Share information service, Pages 36–37.

HONG KONG

CONTINUED SPECULATION about the possibility of higher U.S. interest rates and their effect on local levels depressed shares for the third successive day in Hong Kong.

The Hang Seng index was at another low for the year, down 11.50 for the regular half-day session at 850.33 after some late covering had lifted shares from the day's lows.

Swire Properties dipped 5 cents to HK$7 ahead of today's delisting as a result of the planned acquisition of the company's entire capital by Swire Pacific, whose own shares fell 50 cents to HK$14.90.

Among other leaders, Cheung Kong shed 15 cents to HK$7.25, Hongkong Land 5 cents to HK$2.52, Jardine Matheson 10 cents to HK$7.70 and Sun Hung Kai Properties 50 cents to HK$5.05.

SINGAPORE

BARGAIN-HUNTING in a recently oversold market, together with some covering support, underpinned a modest advance in Singapore.

The Straits Times index climbed 8.02 to 901.0 on turnover which had risen to 12.9m shares from the previous day's 10m.

Pan Electric topped the active list with 2.7m shares traded, and it added 7 cents to S$2.11

Consolidated Plantations benefited from an overall rise for the sector, adding 4 cents to S$2.74, while the property and retail company Cold Storage also rose 4 cents to S$3.04.

However, Singapore Land shed 6 cents to S$3.74 while in a generally steady banks sector Malayan Banking dipped 5 cents to S$8.35.

AUSTRALIA

FIRMER BASE metal prices helped Sydney to overcome a subdued start, and gains were registered across the board as the market finished on a firmer note.

The All Ordinaries index added 7.2 to 663.4.

BHP led the gains, adding 16 cents to A$9.46, but CSR dipped a further 2 cents to A$3.18 as the market reacted to its diversification plans.

The improved metals prices helped MIM up 13 cents to A$2.68, Western Mining 10 cents to A$3.12 and CRA 7 cents to A$4.62.

SOUTH AFRICA

GOLD shares ended mixed after a dull Johannesburg session with investors wary of taking new positions while the bullion price remains directionless.

Randfontein Estates gained R1 to R196 but Southvaal eased 50 cents to R80 and Vaal Reefs dipped R2 to R160. Mining financials were little changed while De Beers added 5 cents to R9.10.

CANADA

SHARES continued their moderately lower trend in Toronto with losses by oils, golds and management issues outweighing good gains among property and media stocks.

Montreal was also lower with moderate losses registered by banks, industrials, minings and utilities.

EUROPE

Firm tone eludes Frankfurt

THE FIRMER tone which emerged in Tuesday's late dealings on the European bourses carried over to yesterday, although volume by and large remained on the thin side. There was, however, one notable exception to the more buoyant trend – Frankfurt, which remained clouded by uncertainty over the eventual impact on corporate profits of the strike campaign which ended last week.

An increased tendency to sell was being detected by mid-morning, and the Commerzbank index moved 4.9 lower to 983.0.

Hardest hit, as on Tuesday, were the car makers. Daimler-Benz slipped DM 4.20 to DM 563 after its chairman told the annual meeting that the recent disruption to output meant that targets for the year could no longer be met although it hoped to maintain the dividend.

BMW curtailed its loss to DM 1 at DM 384.50 after announcing strong demand on its motorcycle side, while VW shed DM 4.50 to DM 183.50 and Porsche DM 13 to DM 970.

The engineering sector was again better supported, underpinned by industry association figures showing a good order inflow. Price gains were hard to come by, but GHH and KHD both held steady at a respective DM 139 and DM 229.50.

Reported attempts to sell a large block in Conti-Gummi took the tyre maker's price down DM 3.50 to DM 124.50.

Domestic bonds, including the latest state issue, held sufficiently steady for Bundesbank to offload DM 19.2m in paper.

Demand in **Amsterdam** centred on Royal Dutch, Fl 2.10 higher at Fl 152.90, and Unilever, up Fl 2 to Fl 258.50. Foreign buying was also noted in Gist Brocades, taking the biotechnology issue Fl 1.70 upward to Fl 142.20 after reversing an opening loss of 50 cents.

Banks moved erratically, leaving ABN Fl 1.50 lower at Fl 315 but Ned Mid 50 cents firmer at Fl 137.

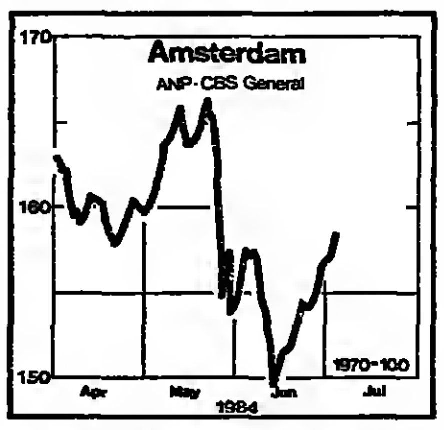
Scattered buying support left domestic bonds between 10 and 20 basis points higher.

Milan managed to shake off its concerns over the durability of the ruling Italian coalition, but conditions remained quiet, and the direction of after-hours business was again downward.

Fiat was to the fore with a L90 gain to L3,990 after the approval by its shareholders of a large capital increase. Other gains included L61 for Pirelli SpA at L1,623 and L48 for La Centrale at L1,999.

Bonds eased somewhat as the Treasury released initial terms for its latest bill tender, indicating generally unchanged yields.

Favourable projections for the French economy encouraged Paris. A first-half turnover boost for Carrefour allowed the foods group a FFr 29 gain at FFr 1,340



while Cie Française des Petroles put on FFr 7.30 to FFr 283 on news of an onshore oil find.

New government paper was in good demand.

A steady **Zurich** result showed Hoffmann-La Roche SwFr 100 higher at SwFr 9,450 and Swiss Volksbank among the best on the financial side with a SwFr 20 advance to SwFr 1,370.

Domestic bonds were thinly dealt but also beld firm.

The **Brussels** pattern was similar, *with activity confined mainly to market* leader Petrofina, which rose BFr 40 to BFr 8,590.

Some profit-taking developed in **Stockholm** after rallying against the trend the previous session. Volvo slipped SKr 1 to SKr 254, its new level reflecting a two-for-one stock split effective from Tuesday. Pharmacia held up, putting on SKr 3 to SKr 281.

Banks led **Madrid** higher.

TOKYO

Incentives found for fresh rise

A SLIGHT rally developed in Tokyo stocks yesterday after two losing sessions, with incentive-backed issues recommended by large securities houses arousing speculative interest, *writes Shigeo Nishiwaki of Jiji Press.*

Incentive-backed shares like Kuraray, Onoda Cement, Asahi Chemical and Toei reached new peak prices, and high-priced blue-chip stocks such as Kyocera also climbed on small-lot buying.

The Nikkei-Dow market average of 225 selected stocks gained 28.59 to 10,375.84. Volume grew to 386.91m shares from 282.26m on Tuesday.

Kuraray, the *target of growing speculative* interest on its anti-cancer drug development, again led the active list with 30.04m shares changing hands. It jumped Y27 to Y877, exceeding the previous high of Y860 set on June 19.

After the close, the securities authorities decided to tighten restrictions on margin trading in Kuraray from today, raising the collateral requirement to 70 per cent from the present 60 per cent and increasing the cash component to 30 per cent from 20 per cent.

Onoda Cement advanced Y15 to Y366, Asahi Chemical Y6 to Y629, Toei Y59 to Y529 and Toduyama Soda Y18 to Y612, all surpassing their previous highs recorded toward the end of June.

Elsewhere, interest was evident in some drug issues which were viewed as underpriced.

Blue chip stocks generally remained weak, but some high-priced issues gained ground with Kyocera firming Y90 to Y6,310 and Pioneer Y60 to Y2,670.

Riccar slipped Y14 to Y198 for a three-day fall of Y54.

The bond market firmed on speculative buying by some securities firms, although the yen weakened further against the dollar, breaking through the Y240 level at one stage. Institutional investors generally held to the sidelines awaiting the outcome of the U.S. Treasury 20-year bond auction today and a clearer trend for the yen.

WORLD STOCK MARKETS

Indices

NEW YORK — DOW JONES

	July 4	July 3	July 2	June 29	June 28	June 27	1984 High	1984 Low	Since Compilation High	Since Compilation Low
Industrials	Closed	1134.28	1130.08	1132.40	1126.55	1116.72	1226.64 (6/1)	1085.90 (13/6)	1287.70 (19/11/83)	41.22 (2/7/32)
Transport	Closed	479.42	472.22	474.16	472.84	466.26	612.63 (5/1)	457.82 (25/5)	612.63 (5/1/84)	12.32 (8/7/32)
Utilities	Closed	124.37	124.47	124.28	123.27	122.93	134.63 (6/1)	122.25 (15/5)	163.72 (20/4/69)	10.5 (28/4/42)
Trading vol	Closed	78.3m	69.23m	90.77m	77.66m	73.84m	–	–	–	–

	June 22	June 15	June 8	Year Ago (Approx)
Ind Div Yield %	5.01	5.21	4.59	4.45

N.Y.S.E. ALL COMMON

July 4	July 3	July 2	June 29	1984 High	1984 Low
Closed	88.62	88.33	88.32	97.71 (6/1)	86.17 (15/5)

RISES AND FALLS

	July 4	July 3	July 2
Issues traded	Closed	1,830	1,852
Rises		820	822
Falls		544	602
Unchanged		472	428

STANDARD AND POORS

	July 4	July 3	July 2	June 29	June 28	June 27	1984 High	1984 Low	Since Compilation High	Since Compilation Low
Industrials	Closed	175.19	174.74	174.73	174.27	172.72	199.64 (6/1)	169.28 (15/6)	194.84 (10/10/83)	3.52 (30/6/32)
Composite	Closed	153.70	153.20	153.12	152.84	151.64	169.28 (6/1)	145.23 (15/6)	172.15 (10/10/83)	4.40 (1/6/32)

	June 27	June 20	June 13	Year Ago (Approx)
Ind div yield %	4.27	4.15	4.27	3.90
Ind. P/E Ratio	10.75	10.56	10.77	14.51
Long Gov Bond Yield	13.56	13.51	13.34	11.82

TORONTO

	July 4	July 3	July 2	June 29	1984 High	1984 Low
Metals & Minls		1835.5	Closed	1802.4	2524.4 (17/1)	1354.9 (29/6)
Composite		2220.6	Closed	2220.9	2585.7 (9/1)	2137.8 (24/5)
MONTREAL Portfolio		108.27	Closed	108.13	127.83 (10/1)	105.34 (24/5)

* Indicates pre-close figure

	July 4	July 3	July 2	June 29	1984 High	1984 Low
AUSTRALIA All Ord. (1/1/80)	668.4	655.5	659.0	650.9	187.0 (18/1)	646.5 (19.6)
Metal & Minls. (1/1/80)	428.7	410.0	423.4	421.4	567.4 (5.1)	415.4 (20.6)
AUSTRIA Credit Aktien (2/1/62)	55.86	55.91	55.89	55.97	56.21 (2/1)	55.30 (5.4)
BELGIUM Belgian SE (31/12/63)	142.15	141.45	141.57	141.47	158.25 (7.5)	135.28 (4.7)
DENMARK Copenhagen SE (3/1/83)	181.76	181.55	181.46	180.9	225.21 (20.1)	179.27 (1.6)
FRANCE CAC General (31/12/82)	171.4	170.4	170.5	170.1	181.7 (6.5)	155.0 (5.1)
Ind Tendance (30/12/83)	110.0	100.5	100.2	108.6	115.0 (6.5)	99.4 (5.1)
GERMANY FAZ Aktien (31/12/58)	349.96	347.09	347.10	348.4	370.64 (2.2)	338.24 (15.6)
Commerzbank (1/12/53)	983.00	987.9	1092.2	1006.8	1096.5 (2.2)	979.5 (15.6)
HONG KONG Hang Seng Bank (31/7/64)	050.55	061.85	099.63	901.07	1178.35 (10.3)	950.55 (4.7)
ITALY Banca Comm Ital. (1972)	203.39	207.25	208.41	210.72	229.57 (1.2)	192.00 (2.1)
JAPAN** Nikkei-Dow (16/5/49)	10375.9	10348.3	10410.07	10377.97	11,100.17 (4.5)	9239.47 (14.2)
Tokyo SE New (4/1/68)	789.35	789.12	795.25	795.11	878.62 (2.4)	735.45 (4.1)
NETHERLANDS ANP-CBS General (1970)	159.5	157.2	157.0	150.9	178.0 (1.2)	149.7 (13.6)
ANP-CBS Indust (1970)	127.2	126.7	126.4	125.7	147.2 (1.2)	119.7 (18.5)
NORWAY Oslo SE (4/1/83)	236.43	230.20	227.60	232.29	298.70 (8.5)	221.07 (4.1)
SINGAPORE Straits Times (1966)	901.00	894.99	834.65	821.90	1071.91 (2)	879.71 (27.5)
SOUTH AFRICA Gold (1958)	(u)	(u)	959.6	(u)	1075.8 (15.6)	785.1 (24.1)
Industrial (1958)	(u)	(u)	1020.3	(u)	1105.5 (26.3)	962.5 (25.1)
SPAIN Madrid SE (30/12/85)	126.89	125.01	124.48	122.04	122.64 (29.6)	101.22 (3.1)
SWEDEN Jacobson & P. (1/1/58)	480.80	1502.45	1435.82	1482.72	1584.6 (6.2)	1,388.00 (29.5)
SWITZERLAND SwissBank Corp. (31/12/58)	362.5	361.1	361.3	360.4	388.7 (3.1)	355.4 (18.6)
WORLD Capital Intl. (1/1/70)	—	174.0	174.3	174.8	190.0 (3.5)	172.7 (15.6)

** Saturday June 30: Japan Nikkei-Dow 10428.43. TSE 795.67.
Base values of all indices are 100 except Australia All Ordinary and Metals—500. NYSE All Common—50; Standard and Poors—10; and Toronto Composite and Metals—1,000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds. ‡ 400 industrials. § 400 industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

AUSTRIA

July 4	Price Sch.	+ or —
Creditanstalt	209	
Goesser	342	-2
Interunfall	393	
Laenderbank	206	
Perlmooser	342	
Steyr-Daimler	142	-1
Veitscher Mag	217	

BELGIUM/LUXEMBOURG

July 4	Price Frs.	+ or —
ARBED	1,530	-40
Banq Int A Lux	5,050	
Bekaert B	3,930	
Ciment CBR	2,735	-5
Cockerill	340	-10
Delhaize	4,780	-25
EBES	2,435	-15
Electrobel	6,630	-30
Fabrique Nat	1,870	
GB Inno BM	3,105	
GBL Brux	2,330	-30
Gevaert	3,120	
Hoboken	5,100	-10
Intercom	1,290	-10
Kredietbank	6,890	-60
Pan Hldgs.	9,400	
Petrofina	6,530	-40
Royale Belge	2,150	
Soc. Gen. Banq	3,000	-50
Soc. Gen. Belge	1,680	-20
Sofina	6,070	-10
Solvay	2,685	-5
Traction Elect	3,450	-45
UCB	4,400	-15
Vieille Mont	3,260	-60

DENMARK

July 4	Price Kr. %	+ or —
Aarhus Olie	430	
Andelsbanken	220	
Baltica Skand	643	
CopHandelsbank	224	-2
D. Sukkerfab	640	+5
Danske Bank	218	-2
East Asiatic	181	+1
Forenede Brygg.	870	+10
Forenede Damp.	108xr	+2
GNT Hldg.	475	
I.S.S.B.	525	
Jyske Bank	459	-5
Novo Ind	2,280	
Privatbanken	203	-4
Provinsbanken	283	-3
Smidth (F)	227	+2
Sophus Berend.	980	
Superfos	452	+2

FRANCE

July 4	Price Frs.	+ or —
Emprunt 4½% 1973	1752	-7
Emprunt 7% 1973	8,695	-9
CNE 3%	3,615	-5
Air Liquide	528	+16
BIC	415.5	+3.5
Bouygues	616	-3
BSN Gervais	2,684	+29
CIT-Alcatel	1,123	-6
Carrefour	1,340	+29
Club Mediter'n	929	+6
CFAO	634	+18
Cie Bancaire	623	+11
Cofimeg	221.1	-0.9
Darty	946	-20
Dumez S.A.	644	
Eaux (Cie Gen)	530	
Elf-Aquitaine	237	
Gen. Occidentale	836	+2
Imetal	90.1	-0.1
Lafarge Coppee	362.1	+2.1
L'Oreal	2,450	+35
Legrand	1,958	+43
Maisons Phenix	210	
Matra S.A.	1,520	+75
Michelin B	729	+4
Midi (Cie)	1,695	-15
Moet-Hennessy	1,672	+4
Moulinex	103.4	+0.4
Nord Est	50.8	+0.4
Pernod Ricard	793	-8
Perrier	522	+19
Petroles Fra.	283	+7.3
Peugeot S.A.	209	+1
Poclain	44	+2
Printemps Au	138.6	-3
Radiotech	272.1	+1.1
Redoute	1080	+5
Roussel-Uclaf	1,298	+11
Sefimeg	247.8	+0.5
Skis Rossignol	1,540	+45
Telemech Elect.	1,645	+13
Thomson (CSF)	286	+4
Valeo	239.5	-3.5

GERMANY

July 4	Price Dm.	+ or —
AEG-Telef	94.4	-0.9
Allianz Vers	769	-4
BASF	155	
Bayer	159.3	-1
Bayer Hypo	276	-1.5
Bayer-Verein	315	-3
BHF Bank	246	-5
BMW	384.5	-1
Brown Boveri	215	-3.5
Commerzbank	153	-1
Cont'l. Gummi.	124.5	-3.5
Daimler-Benz	563	-3.2
Degussa	390	+0.3
D'sche Babcock	150	-7
Deutsche Bank	338.5	-4.8
Dresdner Bank	153	-1
GHH	132	
Hochtief	590	+12
Hoechst	162.1	-1.4
Hoesch Werke	109.6	-0.2
Holzmann (P)	439.5	-1
Horten	165	
Kali und Salz	214	-0.5
Karstadt	233	+1
Kaufhof	221.8	-0.2
KHD	222.5	
Kloeckner	60.5	
Krupp	77.5	-0.5
Linde	383	-6
Lufthansa	143	-1
MAN	140	-0.5
Mannesmann	141.2	-0.3
Mercedes Hld	472.8	-1.2
Metallgesell.	221	+1
Muench Rueck	1,031	-58
Preussag	260	-3
Rhein West Elect	158.5	-0.7
Rosenthal	238.5	
Schering	334	-3
Siemens	387.5	-2.5
Thyssen	80	-0.2
Varta	175	-0.5
Veba	167	-0.3
V.E.W.	114.5	-2.1
Verein-West	221	-1
Volkswagen	183.5	-4.5

ITALY

July 4	Price Lire	+ or —
Banca Com'le	17,630	-30
Bastogi IRBS	116	+1
Centrale	1,999	+48
Credito Varesino	4,015	+10
Fiat	3,990	+90
Finsider	56	-2
Generali Assicur	33,650	+450
Invest	3,160	
Italcementi	46,260	-60
Montedison	1,166	-4
Olivetti	5,065	
Pirelli Co	3,100	+80
Pirelli Spa	1,683	+61
Snia BPD	1,577	+32
Toro Assic.	11,200	+50
do. Pref.	8,699	+129

NETHERLANDS

July 4	Price Fls	+ or —
ACF Holding	167	+3
AEGON	117	+0.2
Ahold	178.2	+0.7
AKZO	86.1	-0.1
ABN	315	-1.5
AMEV	156.7	-0.3
AMRO	60.9	-0.1
Bredero Cert.	175	
Bos Kalis Westm.	30.2	+0.2
Buehrmann-Tet.	66	+0.3
Calland Hldgs.	37	+0.3
Credit Lyon'is Bk	47.5	+0.2
Elsevier-NDU	85	+1.7
Gist. Brocades	142.2	+1.7
Heineken	128.5	+1
Hoogovens	50.5	+0.6
Hunter Douglas	28.8	+0.6
Int Mueller	34.1	
KLM	158.4	+0.9
Naarden	37	+0.3
Nat Ned Cert	212.3	+1.1
Ned. Credit Bank	40	
Ned Mid Bank	137	+0.5
Nedlloyd	111.5	-0.5
Oce Grinten	237.5	+0.5
Ommeren (Van)	27.4	-0.1
Pakhoed	57	-0.3
Philips	46.9	+0.3
Rijn-Schelde	2.8	+0.3
Robeco	61.2	+0.1
Rodamco	138.8	+0.2
Rolinco	58	+0.2
Rorento	198.7	+0.1
Royal Dutch	152.9	+2.5
Unilever	258.5	+2
VMF Stork	130.5	+0.6
VNU	154	+0.3
West Utr Bank	83.5	+0.5

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. ‡ Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

NORWAY

July 4	Price Kroner	+ or —
Bergen Bank	149	+3
Borregaard	240	+5
Christiania Bk.	155	+3
Den Norske Credit	151	+6
Elkem	129	+6.5
Norsk Data	375	+2.5
Norsk Hydro	595	+15
Storebrand	182.6	+2.5

SPAIN

July 4	Price Pts %	+ or —
Bco Bilbao	331	
Bco Central	335	+2
Bco Exterior	208	+1
Bco Hispano	255	
Bco Santander	323	+2
Bco Vizcaya	380	+3
Dragados	160	+3
Hidrola	56.7	+0.5
Iberduero	65	-0.5
Petroleos	135.7	-1.3
Telefonica	81.2	-3.8

SWEDEN

July 4	Price Kronor	+ or —
AGA	345	-5
Alfa Laval	240	-3
ASEA (Free)	315	+8
Astra (Free)	400	-5
Atlas Copco	121	-4
Boliden	377	-5
Cardo (Free)	340	+7
Cellulosa	148	-4
Electrolux B	253	-4
Ericsson	319	-2
Esselte	282	+1
Mo Och Domsjo	390xa	+10
Pharmacia	281	+3
Saab-Scania	407	-3
Sandvik	405	-5
Skandia	373	-2
Skan Enskilda	318	+3
SKF	124	-5
St. Kopparbergs	700	+25
Sven Handelsbn.	183	-4
Swedish Match	237	-3
Volvo B (Free)	254	-1

SWITZERLAND

July 4	Price Frs.	+ or —
Alusuisse	788	+6
Bank Leu	3,500	
Brown Boveri	2,205	+5
Ciba Geigy	2,200	
do. (Part Certs)	1,720	+10
Credit Suisse	2,080	+10
Elektrowatt	9,360	-10
Fischer (Geo.)	605	
Genevoise	3,625	+100
Hoff-Roche PtCts	95,500	+1000
Hoff-Roche 1/10	9,450xr	+100
Jacobs Suchard	6,250	
Jelmoli	1,720	
Landis & Cyr	1,310	+5
Nestle	5,060	+20
Oer-Buehrle	1,105	
Pirelli	230	+1
Sandoz (Br)	6,625	+50
Sandoz (PtCts)	960	+10
Schindler (PtCts)	660	+10
Swissair	935	+6
Swiss Bank	328	+4
Swiss Reinsce	7,600	+50
Swiss Volksbk	1,370	+20
Union Bank	3,280	+5
Winterthur	2,875	+6
Zurich Ins	16,900	

AUSTRALIA

July 4	Price Aust $	+ or —
ANZ Group	4.73	
Acrow Aust.	1.65	
Alliance Oil D.	0.6	+0.1
Ampol Pet	1.46	+0.05
Aust Cons Ind	1.70	
Aust. Guarant	2.6	+0.05
Aust. Nat. Inds.	2.00	
Aust. Paper	2.04	+0.04
Bell Group	4.25	-0.05
Bond Corp Hldgs	1.4	+0.08
Boral	3.3	+0.1
B'ville Copper	1.8	+0.02
Brambles Inds	2.85	+0.05
Bridge Oil	2.10	
BHP	9.48	+0.18
CRA	4.68	+0.07
CSR	3.18	-0.02
Carlton Utd	4.56	
Castlemaine Tys.	4.6	
Coles (G.J.)	3.5	+0.02
Comalco "A"	2.40	
Consolidated Pet	0.52	+0.07
Costain Aust	1.15	-0.05
Dunlop Aust	3.8	
E.Z. Inds	5.96	+0.06
Elders IXL	3.74	-0.01
Energy Res	1.46	

AUSTRALIA (continued)

July 4	Price Aust. $	+ or —
Gen Prop Trust	2.09	+0.00
Hartogen	3.05	+0.05
Hartogen Energy	2.05	
Herald W'y Times	3.2	
ICI Aust	1.78	
Jimberlana 50cFP	0.24	
Kia Ora Gold	0.14	
Lend Lease	4.6	
MIM	2.88	+0.11
Mayne Nickless	2.20	
Meekatharra	0.45	
Myer Emp.	1.68	
Nat. Com. Bk.	3.24	+0.01
News	9.0	
Nicholas Kiwi	2.75	+0.05
North Bkn Hill	2.2	-0.02
Oakbridge	0.75	-0.03
Otter Expl.	0.47	-0.05
Pancont'l	1.1	-0.01
Pioneer Conc	1.4	+0.05
Queensland Coal	1.07	+0.00
Reckitt & Coln	3.45	
Repco	1.1	+0.01
Santos	6.8	+0.05
Smith (H.)	5.5	+0.05
Southland Min'g.	0.35	
Spargos Expl	0.35	
Thos. Natwide	1.60	
Tooth	5.5	
Vamgas	2.75	+0.05
Western Mining	3.18	+0.1
Westpac	3.55	+0.05
Woodside Petrol.	1.1	+0.04
Woolworths	2.25	
Wormald Intl	2.55	

HONG KONG

July 4	Price H.K. $	+ or —
Bank East Asia	19.2	-0.6
Cheung Kong	7.25	-0.15
China Light	11	
Hang Lung Devel	2.3	
Hang Seng Bank	30.75	-0.75
HK Electric	5.35	-0.05
HK Kowloon Wh.	3.17	-0.05
HK Land	9.52	-0.05
HK Shanghai Bk.	5.85	-0.05
HK Telephone	43	
Hutchison Wpa.	10	
Jardine Math.	7.7	-0.1
New World Dev.	2.8	-0.05
Orient O'seas	2.17	-0.03
O'seas Trust Bk.	2.65	-0.1
SHK Props.	6.05	-0.5
Swire Pac A	14.9	-0.5
Wheel'k Mard A.	2.92	-0.05
Wheel'k M'time	1.9	
World Int. Hldgs.	1.7	-0.1

JAPAN

July 4	Price Yen	+ or —
Ajinomoto	1,140	-10
Alps Electric	2,020	+20
Amada	1,060	-20
Asahi Chem	624	+6
Asahi Glass	768	+39
Bridgestone	673	
Canon	1,180	
Casio Comp.	1,170	-10
Chugai Pharm	1,040	+43
Citizen	480	+10
Daiei	670	
Dai Nippon Ptg	907	-4
Daiwa House	533	+5
Ebara	329	+4
Eisai	881	-8
Fanuc	7,960	-10
Fuji Bank	925	
Fuji Film	1,560	-10
Fujisawa	930	-6
Fujitsu	1,220	-30
Green Cross	1,820	
Hasegawa	360	
Heiwa Real Est.	555	-1
Hitachi	823	-2
Hitachi Credit	1,360	+10
Honda	1,200	+30
House Food	745	
Hoya	1,930	+90
Itoh (C)	289	-2
Ito Yokado	1,860	-20
Iwatsu	1,310	-20
JACCS	348	-2
JAL	3,260	-60
Jusco	855	-1
Kajima	279	
Kao Soap	778	-4
Kashiyama	605	-4
Kirin	655	-12
Kokuyo	876	+1
Komatsu	480	+1
Konishiroku	672	-3
Kubota	308	+4
Kumagai	480	
Kyoto Ceramic	6,310	+80
Maeda Const.	497	
Makino Milling	1,180	-40
Makita	940	-40
Marubeni	383	-3
Marudai	620	-18
Marui	1,140	+30
MEI	1,630	
M'ta Elec Works	638	
M'bishi Bank	810	-5
M'bishi Corp	543	+2
M'bishi Elec	379	-2
M'bishi Estate	485	+4

JAPAN (continued)

[illegible]

SINGAPORE

[illegible]

SOUTH AFRICA

[illegible]

CANADA

TORONTO
Closing prices July 3

Sales	Stock	High	Low	Close	Chng
8850	Agnico E	$16¾	16⅜	16⅜	-⅛
1000	Agra Ind A	55½	5½	5½	-⅛
9270	All Energy	$20¼	20½	20⅝	+⅛
200	Alta Nat	$11	11	11	+⅛
[illegible]					
4350	Denison A	$16¼	16⅛	16⅛	-⅛
8150	Denison B I	315⅛	15	13	
2000	Develcon	011	10⅞	10⅞	-⅛
9560	Dickinsn A f	55	490	495	-17
1155	Dickinsn B	$5¼	5	5	
5804	Doman A	245	244	244	-1
8325	Dofasco A	$20⅝	20⅛	20½	+⅛
60675	Dom Store	$20	20	20	-⅛
770	Du Pont A	317¼	17	17¼	+⅛
[illegible]					
72030	Nolan H X	318⅜	18⅜	18⅜	+⅛
400	McGraw H	$18¼	18¼	18¼	+¼
2630	Merland E	$5	490	490	-10
31824	Molson A I	$17⅜	17¼	17¼	-⅛
10	Molson B	316⅜	16⅜	16⅜	-⅛
600	Murphy	$23⅛	23⅛	23⅛	
200	Nat Trust	$30	30	30	
11782	Noranda	019½	19	19⅛	-½
3077	Norcen	$16⅜	16⅜	16⅜	
[illegible]					
1000	Tara o	[illegible]			
200	Teck Cor A	[illegible]			
13100	Teck B f	[illegible]			
2249	Tex Can	[illegible]			
8456	Thom N A	[illegible]			
67485	Tor Dm Bk	[illegible]			
11975	Torstar B f	[illegible]			
9980	Traders A f	[illegible]			
410	Trns Mt	[illegible]			
[illegible]					

Total sales 8,657,596 shares

MONTREAL
Closing prices July 3

[illegible]

Total sales 976,708 shares

LONDON

Chief price changes
(in pence unless otherwise indicated)

RISES

Tr. 3pc 1987	£83¾	+¹⁄₁₆
Tr. 11½pc 2001/04	£104⅜	+⅜
Assoc. Newsp.	496	+28
Automated Sec.	165	+17
BOC	251	+7
Bowater	251	+7
Christies Intl.	408	+12
Electrocomp.	285	+10
Gresham House	220	+15
Habitat Moth.	298	+8
Hadson	164	+8
Heath (C. E.)	470	+15
Henriques (A.)	68	+8
Legal & General	480	+18
L'pool Daily Post	207	+13
Lucas Inds.	193	+7
MEPC	307	+9
Mercantile Hs.	274	+21
Metal Box	324	+9
Midland Bank	315	+10
Pearl Assoc.	773	+28
Reed Intl.	458	+28
St. Chart. Bank	490	+20
TI	228	+8
Woolworth	480	+17
Burmah Oil	182	+10
Imp. Cont. Gas	310	+12
Hampton Areas	195	+9
MIM Hldgs.	172	+10

FALLS

Fleet Hldgs.	170	-12

LONDON STOCK EXCHANGE

MARKET REPORT

Stock shortages prompt sharp advance in leading industrial and financial issues

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
June 18	June 28	June 29	July 9
July 2	July 12	July 13	July 23
July 16	July 26	July 27	Aug 6

* "New-time" dealings may take place from 9.30 am two business days earlier.

A rather sharp improvement in leading share values was more a reflection of stock shortages than early notice of an impending shift in London market sentiment. The volume of business in both main investment areas remained on the low side, although one or two smaller institutional buyers of equities were active initially.

News of the third attempt to bridge the gap between the mineworkers and National Coal Board together with a slight easing of the upward pressures on U.S. interest rates encouraged the early demand. The Fed funds rate overnight reacted noticeably to 10 per cent, following a favourable outcome to the Treasury's latest bill auction, and this helped to soothe London anxieties over dearer money trends.

Equity dealers attempted to either maintain level book positions or err on the short side ahead of the U.S. Fourth of July holiday. The early demand for selected industrial leaders thus caught most unawares and brought an exaggerated price response. This was typified by the movements of the constituents of the FT Industrial Ordinary share index. Not one registered a double figure gain but the index, after starting around five points up, closed 12.8 higher at the session's best of 834.1.

Stock scarcity was also a factor among Financial issues. Many advanced impressively on only light demand, part of which was aroused by the Chancellor's speech regarding the Government's plans for the City's future. Life Insurance shares led the sector's strength.

Gilt-edged stocks also warranted attention, but sterling's inability to hold a recovery against the dollar later sent investors back into their shells. The overnight recovery in the U.S. bond market was welcomed and it was hoped that the movement would continue when the market re-opens today. Longer-dated British Funds closed a touch off the top, but still showing rises extending to ⅛. Some low-coupon shorts were also popular again and closed around ⅛ better.

Insurances advance

Insurances gave a strong performance. Acute stock shortages accentuated most rises, particularly in the case of Life issues. Pearl jumped 28 to 773p and Legal and General rose 18 to 460p, while Hambro Life, 470p, and Prudential, 463p, gained 15 apiece. Sun Life also put on 15 at 573p and Refuge added 8 at 433p. Lloyds Brokers continued to reflect both a recent analyst's meeting and currency considerations. C. E. Heath closed 15 higher at 470p following the annual meeting, while Stewart Wrightson put on 9 at 397p. Composites also showed up well. Revived takeover speculation left Royals 15 better at 478p and Sun Alliance 10 to the good at 385p.

Midland strengthened further, rising 10 afresh to 315p with sentiment helped still by suggestions that the group will shrink its balance sheet and raise funds through asset sales to avoid pressure for a dividend cut. Other clearers also moved higher following demand in a market none-too-well supplied with stock. NatWest added 10 at 618p, after 622p, while Barclays firmed 9 to 482p and Lloyds improved 4 to 452p, after 457p. Elsewhere, Standard Chartered found support at 490p, up 20, while Mercury Securities, 30 better at 480p, continued to draw strength from the results.

Actively traded since its Stock Exchange launch on Monday, the controversial former state-owned oil group Enterprise Oil continued to attract a sizeable turnover yesterday and the close was 2 dearer at 102p in partly-paid form.

The continuing good weather attracted renewed support for the drinks sector. Breweries, additionally encouraged by Scottish and Newcastle's annual profits, moved higher although S and N just held the overnight level of 125p following comment on the figures. Allied Lyons put on 2 to 166p and Arthur Guinness firmed 5 to 158p as did Whitbread "A," to 171p. Bass improved a few pence to 383p following Press comment. Elsewhere, Distillers revived 5 to 299p, after 300p.

Leading Buildings attracted more interest than of late. Blue Circle, at 403p, all but recovered the previous day's fall of 8 that followed comment in the Financial Times about Irish cement companies' plans to increase their penetration of the UK cement market. Rugby Portland Cement continued to attract speculative support and firmed 4 to 117p. Tarmac improved 6 to 426p and BPB Industries picked up 5 to 250p. Contracting and Construction issues also took a modest turn for the better, George Wimpey gaining the turn at 112p and John Laing rising 4 to 176p.

ICI remained a relatively neglected market and managed a gain of just a couple of pence at 572p, but Laporte revived with an improvement of 4 at 297p. Allied Colloids firmed 3 to 340p helped by a broker's recommendation, while fresh support lifted Coalite 5 to 157p.

Leading Stores moved higher with the general trend but the volume of business was described as only moderate. Woolworth jumped 17 more to 480p in a thin market and Habitat closed 8 better at 298p. Secondary issues attracted a selective speculative interest. Arthur Henriques rose 6 to 68p and Executex appreciated a couple of pence at 32p. Vantona Viyella improved 3 afresh to 223p after comment on the impressive interim results.

GEC opened a few pence higher following comment on the preliminary figures, but drifted back on scattered selling to close a couple of pence cheaper at 192p. Other leading Electricals were inclined firmer, Plessey, 212p, and Racal, 230p, improving 4 apiece. Elsewhere, Automated Security featured with a rise of 17 to 165p following the increased interim dividend and profits. The proposed acquisition of Comart Group and forecast of significantly improved annual results prompted a rise of 8 to 305p in Kode International. Eurotherm rose 8 to 248p and Electrocomponents 10 to 265p. Cable and Wireless became a better market and rallied 7 to 320p. In contrast, fresh offerings left Cifer 3 lower at 50p.

Gains in the Engineering leaders were usually modest, but buying in a market none-too-well supplied with stock left TI 8 dearer at 228p. Among occasional secondary issue movements, F. H. Tompkins rose 2½ more to 60½p. Haden came to life with a rise of 8 to 164p along with Mollins, up 5 at 111p. Davy Corporation edged up 2 further to 64p ahead of the preliminary figures.

The Food sector was notable for the resurgence of interest in leading Retailers. Associated Dairies rose 6 to 174p, while J. Sainsbury, additionally buoyed by the chairman's optimistic annual statement, gained 7 to 512p. Tesco firmed 3 to 162p and Argyll, still reflecting the good results, put on 4 more to 165p. Elsewhere, Tate and Lyle improved 5 to 343p and S. and W. Berisford hardened a couple of pence to 175p. Unigate firmed 2 to 131p awaiting today's annual results. USM-quoted Meadow Farm Products rose 5 to 160p in reply to the better-than-expected preliminary figures and dividend.

Christies Int. good

Miscellaneous industrials took on a distinctly brighter appearance. Demand was relatively modest, however, and some of the day's improvements were accentuated by stock shortages. Metal Box stood out with a rise of 9 to 324p, while rises of 7 were recorded in BOC International, 215p, BTR, 450p, and Bowater, 251p. Unilever continued firmly at 905, up 15. Record auction prices at the Chatsworth House sale directed further buying attention to Christies International which put on 12 more to 406p. R.W. Toothill responded to the preliminary figures with a rise of 4 at 134p, while news of the proposed NUM/NCB talks helped Associated British Ports rally 6 to 220p. Renewed demand lifted Smiths Industries 7 further to 542p, while other bright spots included Diploma, 13 to the good at 435p, Office and Electronic, 7 higher at 167p, and Johnson Matthey, 6 dearer at 238p. Rank Organisation edged up 4 to 220p awaiting next week's interim statement, while Inter-City improved 2½ more to 34p, again with the aid of option business.

In a quietly firm Motor sector, Lucas rose 7 to 183p and Lex Service put on 12 at 377p.

Late news of Mr Robert Maxwell's surprise £80m cash bid for the Mirror group publications owned by Reed International created excitement in the newspaper sector. Reed immediately soared to 461p before closing a net 28 higher on balance at 458p but Fleet Holdings, in which Maxwell's Pergamon Press recently acquired Mr Robert Holmes à Court's 10.15 per cent stake, fell 12 to 170p on fading hopes of a full-scale offer from Pergamon. Associated Newspapers, interim figures scheduled for next Thursday, jumped 28 to 496p, while Daily Mail "A" advanced 25 to 780p. Liverpool Daily Post gained 13 to 207p as did United Newspapers to 293p.

After Tuesday's pause for breath, Properties moved forward again under the lead of MEPC which, in a market none-too-well supplied with stock, rose 8 to a 1984 peak of 307p. Land Securities, up 5 at 293p, also recorded a new high for the year, while Great Portland Estates, 158p, and Haslemere Estates, 506p, both firmed 4. Stock Conversion were also favoured and rose 5 to 345p, while British Land hardened a couple of pence to 123p. Sterling Guarantee remained a firm market and gained a penny more to 104p.

Mirroring the firm trend in Textiles, Courtaulds closed 4 better at 125p, Textured Jersey rallied 2 to 68p.

Gresham House continued firmly among Investment Trusts, closing 15 higher at 220p on further consideration of the lucrative sale of its 24.66 per cent stake in Rowton Hotels to Jersey-based Rushlake Investments. Financial trusts featured Mercantile House, 21 up at 274p; the annual results are scheduled for July 31. R.P. Martin, 280p, and Mills and Allen, 285p, added 15 and 10 respectively.

Oils advance

The recent recovery throughout Oils rapidly gathered pace with a number of top quality issues posting double-figure gains. Britoil were particularly in demand and rose 12 more to 247p reflecting a stock shortage, while Burmah were well to the fore and added 10 to 182p. Shell and LASMO put on 8 apiece at 646p and 283p respectively while BP closed a net 6 to the good at 473p despite the fifth consecutive dry well in the South China Sea.

IC Gas drew further strength from the recently announced 30 per cent jump in profits and ended a further 12 higher at 310p—a two-day gain of 30.

The proposed increase in oil output at Wytch Farm encouraged renewed support for Carless Capel, 8 up at 228p and Clyde Petroleum, 10 better at 115p.

Among Plantations, Harrisons Malaysian hardened 2 to 120p and McLeod Russel gained 5 to 252p following their respective preliminary statements.

Golds down again

Mining markets continued to lose ground on lack of interest. South African Golds did little more than drift in quiet trading ahead of the first batch of quarterly results—those of the mines in the Gold Fields of South Africa group — which are expected next Tuesday.

Consequently the Gold Mines index gave up 6.4 more to 599.9, extending the decline over the past three trading days to one of 45 points. Bullion remained a virtually static market and closed a fraction to the good at $369.25 an ounce.

Financials were featured by renewed and sometimes sizeable selling of the South African issues, mainly reflecting persistent offerings from Johannesburg. De Beers dropped a further 10 to 475p ahead of the diamond sales figure which is expected to be announced by the Central Selling Organisation early next week.

UK-domiciled Financials drew strength from the firm showing throughout domestic equities, although Rio Tinto-Zinc remained a nervous market and eased a couple of pence to 575p. Charter rose 5 to 200p, Consolidated Gold Fields 2 to 532p and Hampton Areas 9 to 195p; the last-named were additionally boosted by the deal with Rhone-Poulenc Chemicals.

Australians staged a useful and welcome rally after the recent prolonged downturn. Among the leaders, MIM Holdings advanced 10 to 172p, Western Mining 7 to 202p and Renison 5 to 165p. EZ Industries jumped 15 to 390p following news that North Broken Hill has altered the terms of its takeover bid for EZ. NBH were unchanged at 132p.

A further expansion of trade in Traded Options saw 3,630 contracts completed, comprising 2,564 calls and 1,066 puts. The FTSE 100 again attracted a good demand with 332 calls and 220 puts arranged — 140 in the September 1,025. In the wake of the results, GEC's positions were also active, 334 calls and 53 puts being struck.

FINANCIAL TIMES STOCK INDICES

	July 4	July 3	July 2	June 29	June 28	June 27	year ago
Government Secs	78.22	78.09	78.22	78.45	78.40	78.43	80.48
Fixed Interest	82.36	82.31	82.40	82.44	82.60	82.39	83.32
Industrial Ord.	834.1	821.3	822.1	817.9	807.1	816.2	896.0
Gold Mines†	599.9	606.3	625.2	644.9	642.4	641.8	517.2
Ord. Div. Yield	4.77	4.83	4.82	4.84	4.90	4.86	4.52
Earnings, Yld.% (full)	11.07	11.22	11.21	11.28	11.40	11.62	9.10
P/E Ratio (net) (*)	10.98	10.71	10.72	10.07	10.84	10.65	13.64
Total bargains (Est.)	18,386	17,630	18,369	15,793	15,901	15,465	19,919
Equity turnover £m.	—	183.98	215.25	255.72	127.80	202.00	187.52
Equity bargains	—	12,481	15,327	15,183	12,644	12,364	15,997
Shares traded (ml)	—	120.7	152.0	145.8	115.7	136.9	126.1

10 am 836.4. 11 am 830.8. Noon 831.5. 1 pm 832.2. 2 pm 832.0. 3 pm 831.8.

Basis 100 Govt. Secs. 2/1/58. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

*Nil=10.38.

HIGHS AND LOWS

	1984 High	1984 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs	83.77 (9/1)	77.86 (30/5)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	87.48 (14/1)	82.31 (3/7)	135.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	922.8 (4/5)	770.3 (4/1)	922.8 (4/5/84)	49.4 (26/6/40)
Gold Mines	711.7 (3/1)	580.2 (17/1)	734.7 (15/2/83)	43.5 (28/10/71)

S.E. ACTIVITY

	July 3	July 2
Daily Gilt Edged Bargains	146.3	148.1
Equities Bargains	80.7	80.5
Value	971.5	431.0
5-day Average Gilt Edged Bargains	142.1	144.3
Equities Bargains	93.3	86.9
Value	427.0	407.7

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds†	75	8	19
Corpns. Dom. and Foreign Bonds	14	3	64
Industrials	356	111	939
Financial and Props.	132	27	300
Oils	40	14	66
Plantations	[illegible]	[illegible]	13
Mines	[illegible]	[illegible]	58
Others	[illegible]	[illegible]	99
Totals†	829	282	1,560

† Corrected figures for Tuesday. British Funds rises 6, falls 87. Total rises 531, falls 458.

NEW HIGHS AND LOWS FOR 1984

NEW HIGHS (33)

BRITISH FUNDS (1): Treas. 3pc 1986
AMERICANS (2): General Foods, Gulf
CANADIANS (1): Hawker Siddeley Can.
BANKS (1): Bank of Scotland
BUILDINGS (2): [illegible]
STORES (2): Henriques (A.), [illegible]
ELECTRICALS (1): Phicom
ENGINEERING (3): Lake & Elliot, United Spring, Lee (Arthur)
HOTELS (1): Midsummer Inn
INDUSTRIALS (3): Blundell-Permoglaze, TSL Thermal Synd., Reed International
INSURANCE (2): Heath (C. E.), Willis Faber
MOTORS (2): Reliant Motor, Lookers
PAPER (1): Bosse Massimi Pollitt
PROPERTY (5): Haslemere Estates, Lynton Hldgs., Land Securities, MEPC, London Shop Prop.
TRUSTS (2): Antofagasta Hldgs., Lond. & Assoc. Inv.
OILS (2): Cie Fr Petroles B, Invent Energy
PLANTATIONS (1): McLeod Russel 0.4pc Cnv. Pf.
MINES (1): Jingellic Minerals

NEW LOWS (35)

BRITISH FUNDS (6): Treas. 2½pc 2001, Treas. 2½pc 2011, Treas. 2pc 2006, Treas. 2½pc 2016, Treas. 2½pc 2009, Treas. 2½pc 2222
AMERICANS (2): Continental Illinois, U.S. Steel
CANADIANS (2): Orascan, Gulf Canada
CHEMICALS (1): BASF AG
STORES (1): Castle (G. O.)
ELECTRICALS (4): Acorn Computer, Thorn EMI 7pc Cnv. Pf. 1292-99, Cifer, Pressac
INDUSTRIALS (2): Cornell, Davies & Newman
INSURANCE (1): Liberty Life Ass. Ar.
SHIPPING (1): Reardon Smith
SOUTH AFRICANS (5): Abercom, SA Breweries, Barlow Rand, Tongaat-Hulett, OK Bazaars
TEXTILES (1): Carpets Internatl.
TRUSTS (1): Child Health
OILS (1): Ranger Oil
MINES (7): Anglovaal, GM Kalgoorlie, Gencor, Admiral Mines, Gencor Inv., Homestake Mining, Anglo-American Inv.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Wed July 4 1984 Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (ACT at 30%)	Est. P/E Ratio (Net)	Tue July 3 Index No.	Mon July 2 Index No.	Fri June 29 Index No.	Thur June 28 Index No.	Year ago (approx.) Index No.
1 CAPITAL GOODS (205)	[illegible]									
2 Building Materials (23)	[illegible]									
3 Contracting, Construction (30)	[illegible]									
4 Electricals (14)	[illegible]									
5 Electronics (32)	[illegible]									
6 Mechanical Engineering (62)	[illegible]									
8 Metals and Metal Forming (9)	[illegible]									
9 Motors (17)	[illegible]									
10 Other Industrial Materials (17)	[illegible]									
21 CONSUMER GROUP (185)	[illegible]									
22 Brewers and Distillers (22)	[illegible]									
25 Food Manufacturing (22)	[illegible]									
26 Food Retailing (12)	[illegible]									
27 Health and Household Products (9)	[illegible]									
29 Leisure (22)	[illegible]									
32 Newspapers, Publishing (13)	[illegible]									
33 Packaging and Paper (15)	[illegible]									
34 Stores (46)	[illegible]									
35 Textiles (23)	[illegible]									
36 Tobaccos (3)	[illegible]									
39 Other Consumer (9)	[illegible]									
41 OTHER GROUPS (87)	[illegible]									
42 Chemicals (17)	[illegible]									
44 Office Equipment (4)	[illegible]									
45 Shipping and Transport (13)	[illegible]									
46 Miscellaneous (52)	[illegible]									
49 INDUSTRIAL GROUP (485)	[illegible]									
51 Oils (17)	[illegible]									
59 500 SHARE INDEX	[illegible]									
61 FINANCIAL GROUP (120)	[illegible]									
62 Banks (6)	[illegible]									
63 Discount Houses (9)	[illegible]									
65 Insurance (Life) (9)	[illegible]									
66 Insurance (Composite) (9)	[illegible]									
67 Insurance (Brokers) (6)	[illegible]									
68 Merchant Banks (12)	[illegible]									
69 Property (53)	[illegible]									
70 Other Financial (19)	[illegible]									
71 Investment Trusts (104)	[illegible]									
81 Mining Finance (4)	[illegible]									
91 Overseas Traders (14)	[illegible]									
99 ALL-SHARE INDEX (742)	[illegible]									

	Index No.	Day's Change	Day's High	Day's Low					
FT-SE 100 SHARE INDEX	1065.3	+13.1	1065.1	1053.2	—	1050.2	1047.6	1041.4	1029.5

FIXED INTEREST

PRICE INDICES	Wed July 4	Day's change %	Tue July 3	xd adj. today	xd adj. 1984 to date
British Government: 1 5 years, 2 5-15 years, 3 Over 15 years, 4 Irredeemables, 5 All stocks, 6 Debentures & Loans, 7 Preference	[illegible]				

AVERAGE GROSS REDEMPTION YIELDS	Wed July 4	Tue July 3	Year ago (approx.)
British Government Low, Medium, High Coupons; Irredeemables; Debs & Loans; Preference	[illegible]		

BRITISH GOVERNMENT INDEX-LINKED STOCKS

8 All stocks	101.57	-0.10	101.67	—	1.36	Inflation rate 5% / 10%	3.75 / 3.56	3.74 / 3.55	3.29 / 3.01

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p. Details of recent constituent changes in the Debenture/Loans and Preference indices are available on request.

EUROPEAN OPTIONS EXCHANGE

Series	Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Feb. Vol.	Feb. Last	Stock
[illegible]							

TOTAL VOLUME IN CONTRACTS 10,070

A=Ask B=Bid C=Call P=Put

RECENT ISSUES

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1984 High	1984 Low	Stock	Closing price	+ or −	Net Div.	Times covered	Gross Yield	P.E Ratio
†180	F.P.	8/8	222	162	✠Appl'd N'graph's.3p	176	+10	—	—	—	—
—	F.P.	—	200	120	Do. Warrants	150	+15	—	—	—	—
270	100	10/2	105	62	Assoc Brit Ports	44	+5	8.3	2.9	6.7	8.0
§140	F.P.	18/6	175	138	✠Brikat 8p	146	.....	bg2.0	5.1	2.0	21.1
§30	F.P.	3/8	33½	26½	✠Clogau Gold 10p	27	...	—	—	—	—
120	F.P.	12/7	160	120	Comeno 3p	160	+15	gd1.5	3.7	1.5	22.2
••	F.P.	—	26	23	Derby Tst. Warrants	25	.....	—	—	—	—
41	F.P.	20/7	30	25	✠Ennex.Intnl. Ir10p	28	.....	—	—	—	—
¶180p	100	—	106	98	Enterprise Oil	102	+2	b7.0	5.2	6.4	2.4
25	F.P.	3/8	120	106	Etam 10p	113	.....	2.5	2.2	3.1	15.1
••	F.P.	—	125	124	F & C Pacific Inv. Tst.	125	+1	t3.3	—	4.0	—
—	F.P.	—	15	10	Gartmore I. & F.Warr.	11	.....	—	—	—	—
§33	Nil	5/8	32	32	✠Geo-Roson 5p	34	.....	u1.3	1.6	5.5	13.0
§67	F.P.	27/7	76	68	✠Global Group 10p	74	+2	u2.25	1.8	4.3	13.3
§23	F.P.	10/8	50	26	✠Hobson 5p	27	+1	—	—	—	—
§23	F.P.	16/7	134	94	✠Holden Hydr'm'n 10p	120	.....	u5.25	2.8	0.2	10.5
‡‡	F.P.	—	£37⅛	£35⅛	Houston Nat. Gas $1.00	£37½	+⅝	Q$2.0	—	3.8	—
180	F.P.	13/7	155	157	✠Hunter Saphir	135	.....	21.39	3.7	1.5	24.5
120	F.P.	12/7	124	120	LCA Hldgs. 20p	124	.....	b1.3	3.4	1.7	20.8
§108	F.P.	20/7	100	93	✠Lon. & Clydeside	100	+5	bg5.3	2.0	7.6	2.4
¶185	F.P.	27/7	185	173	LoweHo'ard-Spink 10p	178	.....	bg5.8	2.2	2.2	17.0
§1180	F.P.	22/6	200	173	✠Microvitec 3p	183	+5	ug1.25	3.0	1.0	34.7
••	F.P.	—	46	46	Murray Ventures Wrrts.	45	−1	—	—	—	—
15	F.P.	22/6	153	128	✠Northamber 5p	147	.....	u1.0	5.4	1.0	27.4
‡‡	F.P.	—	£12¼	£12	PLM AB A Sk 25	£12¼	+¼	—	—	—	—
§5k125	F.P.	—	£12¼	£12	Do. B Sk 25	£12¼	+¼	—	—	—	—
80	F.P.	29/6	26	64	✠Petrogen Pet. Inc.	55	−2	—	—	—	—
§68	F.P.	15/7	75	68	✠Petrolex 3p	70	.....	—	—	—	—
22	F.P.	18/7	22½	24	✠Olc'd'ly Rad. N/V.5p	24	−1	81.88	1.0	11.2	12.5
§10½	F.P.	—	15	11⅛	✠Pres. Entertain. 12p	13	+¼	bg0.4	2.0	4.4	16.5
¶196	F.P.	12/7	231	208	Reuters 'B' 10p	231	+3	b2.3	4.1	1.8	22.3
70	F.P.	15/6	72	62	SPRAIT 80p	86	.....	Qb3.5	—	5.5	—
60	F.P.	15/6	58	42	Do. Warrants	42	.....	—	—	—	—
120	F.P.	16/6	122	115	Do. Cum Pt. Prf.	120	.....	Q9%	—	7.5	—
§63	F.P.	15/7	66	61	✠Spectra Auto. 10p	63	−1	u2.28	2.9	3.2	12.8
§130	F.P.	3/8	140	118	✠Spectrum 5p	140	+5	b2.0	3.5	2.0	19.2
§110	F.P.	15/6	182	112	✠Stat-Plus 5p	114	.....	u1.2	5.3	2.5	17.8
§110	F.P.	22/8	170	129	✠SteelBurrillJones 10p	185	−2	b4.9	2.3	4.2	14.7
‡‡	F.P.	—	220	205	✠Telecomputing 10p	215	−5	b1.0	—	0.7	—
§145	F.P.	27/7	155	142	✠Trencherwood 10p	142	−2	bgd4.5	3.2	4.6	7.2
§Ir45p	F.P.	8/7	40	30	✠Tuskar Res.Ir 5p	30	.....	—	—	—	—

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1984 High	1984 Low	Stock	Closing price £	+ or −
§98.10	£25	27/7	23⅞	21¼	Border & S'thern 11½% Deb. Stk. 2014	21¼	.....
‖	Nil	5/7	98½	97⅝	Comfort Int. 7½% Cnv. Uns. Ln. 1997-2001	98½	.....
6.764	£23	15/11	24¼	21⅝	EDF 11¼% Ln. 2002/12	21⅞	+¼
27.780	£30	5/10	28¼	88	Eaton Fn. N/V 12½% Uns. Ln. 2014	28¼	+¼
§98.132	£23	22/11	23⅞	24⅜	Marley 11% Deb. 2009	24⅜	+⅛
¶¶	F.P.	13/7	100	99	✠Micro Bus. Sys. 0pc Uns. Ln. 1997	99	−1
—	F.P.	—	100⅞	80⅞	Nationwide 11% 3.8.85	98⅞	.....
—	F.P.	—	100⅛	88⅝	Do. 10⅝% 24.6.85	20¼	−¼
§100	£10	6/2	12¼	11⅛	Portsmouth Water 13% Red. Deb. 1994	12	.....
887.80	£25	18/7	30½	23¼	Province de Quebec 12¼% Ln. 2020	23¼	.....
‖	F.P.	4/7	102	27½	Robinson Thomas 7% Cum. Cnv. Red. Prf.	27½	.....
‖	F.P.	3/7	27½	82½	Torn-Cons'ito. 9% Cnv. Cm. Rd. Prf. 97/2008	92½	−5
98.641	£30	7/8	60	24	Trinidad & Tobago 12¼% Ln. 2009	24	.....
‖	Nil	0/7	1pm	¼pm	Upton (E.) 10% Cnv. Uns. Ln. 1290	½pm	.....
§100	£10	27/8	12¼	11⅛	York Waterworks 13% Red. Deb. 1994	12	.....

"RIGHTS" OFFERS

Issue price	Amount paid up	Latest Renunc. date	1984 High	1984 Low	Stock	Closing price	+ or −
A$7.6	A$4	2/5	542	300	Broken Hill Prop A$2	374	+2
80	Nil	—	17pm	10pm	Canning (W.)	17pm	.....
410	F.P.	17/8	433	415	Cater Allen £1	433	+5
233	Nil	1/8	38pm	29pm	Cookson 30p	30pm	+1
10	Nil	17/8	4pm	2pm	Hymon (I & J) 5p	2pm	−½
191	F.P.	20/6	217	198	Ladbroke 10p	206	.....
30	Nil	13/2	22pm	16pm	Marshall's Universal	12pm	.....
120	F.P.	25/6	235	150	✠Midsummer Inns £1	235	.....
50.65‖	Nil	27/5	20pm	19pm	North Kalgurli	23pm	.....
A$4	A$2	—	248pm	182pm	Santos A0.25c	243pm	+15
250	Nil	0/8	90pm	73pm	✠Saxon Oil	73pm	−7
303	Nil	13/8	63pm	50pm	Systems Designers 5p	65pm	+5
45	Nil	24/8	10pm	10pm	Uniflex 10p	10pm	.....

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. C Canadian. F Dividend and yield based on prospectus or other official estimates for 1984. H Dividend and yield based on prospectus or other official estimates for 1983-84. Q Gross. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ■ Allotment letters (or fully-paid). ‡‡ Introduction. ✠ Unlisted Securities Market. § Placing price. †† Official London Listing. ‡ No par value.

TUESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Tues. close	Day's change
GEC	14	194	+4
Vantona Viyella	14	220	+10
Enterp. Oil Nw.	13	100	—
Intasun Leisure	13	93	−13
NatWest. Bank	13	608	+12
Midland Bank	12	305	+7
Invent Energy	11	383	+22
Sedgwick	10	273	+1
BTR	9	443	−2
B. & Hol'mshire	9	125	−5
Pilkington Bros.	9	263	−2
Shell Transport	8	637	+7
Thorn EMI	9	505	−8

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
Assoc. Newspapers	496	+28
Britoil	247	+12
Enterprise Oil New	102	+2
Fleet Hldgs.	170	−12
Grand Metropolitan	322	+4
Hambro Life	388	+13
Heath (C. E.)	470	+15
Imp. Cont. Gas	310	+12
MEPC	307	+8
Reed Intl.	458	+28
Reuters New B	231	+3
Willis Faber	883	+8

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
June 25	July 6	Sept 27	Oct 8
July 9	July 20	Oct 11	Oct 22
July 23	Aug 3	Oct 25	Nov 5

For rate indications see end of Share Information Service

Stocks favoured for the call included Intersun, Eglinton, Jonks and Catell, Grovebell, John Brown, Barratt Developments, Acorn Computers, Riley Leisure, Inter-City, Staffordshire Potteries and Petrogen. No put or double options were reported.

LONDON TRADED OPTIONS

Option		Calls July	Calls Oct.	Calls Jan.	Puts July	Puts Oct.	Puts Jan.
B.P. (*473)	420	60	73	—	2½	8	—
	460	24	43	35	8	20	27
	500	7	25	07	30	43	58
	550	2	11	22	78	83	88
[illegible]							

Option		Calls Aug.	Calls Nov.	Calls Feb.	Puts Aug.	Puts Nov.	Puts Feb.
LASMO (*283)	260	33	46	32	8	13	18
	280	26	33	40	18	23	27
	300	16	28	32	32	35	45
	330	8	18	88	07	00	68
	360	0	12	—	80	87	—
[illegible]							

July 4. Total Contracts 3,130. Calls 2,564. Puts 1,066.
*Underlying security price.

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1984 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
100⅞	100½	Treas 12pc 1984	100⅝	.....	11.94	9.06
105⅜	101⅞	Treas. 15pc 1985	102⅞	.....	14.58	10.06
102¾	101⅛	Exch. 12pc Cnv. '85	102⅛	.....	11.85	10.04
95⅛	93⅜	Treas 3pc 1985	94⅝	−⅛	3.19	9.74
102⅝	100⅛	Treas 11½pc 1985	101⅛xd	+⅛	11.38	10.40
99⅛	97½	Treas 8¼pcCnv '85	97⅝	+⅛	8.95	10.71
104⅛	101⅜	Exch 12¼pc 1985	101⅝	+⅛	12.05	10.87
103⅛	100⅛	Exch. 11¾pc '86	100¼	.....	11.66	11.18
102⅛	97⅛	Treas. 10pcCnv 1986	97⅞	+⅛	10.22	11.31
90⅛	88¼	Treas 3pc 1986	90⅛	+⅛	3.32	8.63
102	98⅜	Exch. 10½pc Cv '86	98¾	+⅛	10.61	11.23
104⅛	100⅞	Treas 12pc 1986	101	.....	11.88	11.39
98⅛	94½	Treas 8½pc 1984-86‡‡	95⅛xd	.....	8.92	11.17
108⅛	104⅛	Exch 14pc 1986	104½	+⅛	13.40	10.68
87⅛	85	Exch. 2½pc 1986	86⅛	+⅛	2.89	8.93
107⅛	103⅛	Exch. 13½pc 1987	103⅛xd	+⅛	12.83	11.71
100⅛	96½	Treas 10¼%Cv '87	96⅛xd	.....	10.59	11.74
86⅛	83½	Exch 2½pc 1987	84⅜	+¼	2.96	9.29
101⅛	96⅛	Exch. 10½pc 1987	96¼	.....	10.85	11.88
92⅛	88⅛	Funding 6½pc '85-87‡‡	88½	+⅛	7.34	11.36
99⅛	95⅛	Treas. 10pc 1987	95⅛	+⅛	10.48	11.87
85	81⅛	Treas 3pc 1987	83⅝xd	+⅛	3.59	9.34
105	100⅛	Treas. 12pc 1987	100¼	+⅛	11.97	11.86
94⅜	89⅛	Treas 7¾pc 1985-88‡‡	89½xd	+⅛	8.66	11.42
100¼	95½	Exch 10½pc '88	95⅞	+⅛	10.95	11.84
98⅛	92⅛	Treas 9½pc Cv '88	93¼	+⅛	10.42	11.94
82	77	Transport 3pc '78-88	79⅛xd	+⅛	3.78	9.29
96⅛	91⅛	Treas. 9½pc '88	91¾	.....	10.36	11.98
106⅛	98⅛	Treas 11½pc 1989	98¼	+⅛	11.71	11.97
95⅛	90⅛	Treas 9½pc Cnv '89	91¼	+⅛	10.41	11.94
95½	93⅛	Treas 10½pc 1989	94⅝	+⅛	11.10	11.96

Five to Fifteen Years

1984 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
100⅛	91½	Exch.10pc 1989	91⅞xd	+⅛	10.80	12.00

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

Index-Linked

[illegible]

INT. BANK AND O'SEAS GOVT STERLING ISSUES

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]

LOANS

Building Societies

[illegible]

Public Board and Ind.

[illegible]

Financial

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS, HP & LEASING

[illegible]

Hire Purchase, Leasing, etc.

[illegible]

BEERS, WINES & SPIRITS

[illegible]

BEERS, WINES—Cont.

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY & STORES—Cont.

[illegible]

ELECTRICALS

[illegible]

ENGINEERING

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC

[illegible]

HOTELS AND CATERERS

[illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

[illegible]

INSURANCES

[illegible]

LEISURE

[illegible]

LEISURE—Continued

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS—Continued

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

Central African

[illegible]

MINES—Continued

Australians

1984 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
45	28	♥ACM 50c	29	+1	—	—	—
38	22	♥Allstate Expl'n. NL	23	+1	—	—	—
10½	4	♥Aust Oil & Minerals	5¼	−¼	—	—	—
19	12	♥Aust. Hydrocarbons NL	17	+5	♦	—	—
28	10	♥Australis Mng NL	19	.....	—	—	—
45	16	♥Balmoral Res.	32	−1	—	—	—
36	21½	♥Black Hill Mins.	24	+1	—	—	—
184	77	♥Bond Corp	88	+3	010c	0.7	7.4
177	112	♥Bougainville 1 Kina	117	+3	Q16.4c	1.2	9.1
406	284	♥CRA $2	296	+6	012c	1.5	2.6
86	52	♥Carr Boyd 20c	55	+1	—	—	—
40	25	♥Central Kalgoorlie	25	.....	—	—	—
24	20	♥Central Pacific	21½	+½	—	—	—
4¼	2¾	♥Cons Gld Mg Areas NL	3¼	+¼	—	—	—
[illegible]							

Tins

[illegible]

Miscellaneous

1984 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
[illegible]							
370	210	♥Centennial Min'ls.	255	+5	—	—	—
175	100	♥Colby Res Corp.	110	+10	—	—	—
955	740	Cons. Murch. 10c	750	.....	†Q100c	1.4	7.4
£20¼	£15	Eastern Trns. Cns. 50c	517xd	.....	Q90c	♦	2.9
		For Echo Bay Mines see Canadians					
252	180	Hampton Areas 10p	195	+9	3.75	♦	2.6
205	160	♥Highwood Res.	165	−5	—	—	—
£24½	£17⅞	Homestake Mining $1	£17⅞	−⅛	020c	—	0.0
365	275	Northgate C$1	290	+5	—	—	—
718	565	RTZ	575	−2	15.0	2.5	4.5
£256½	£128½	Do. 9½pcLn '95-2000	£128½	.....	Q9½%	35.4	7.7
110	55	♥Sabina Inds C$1	65	+2	—	—	—
£11¼	875	♥Tara Expln $1	900	+23	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock".
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK listed; dealings permitted under Rule 163(4)(a).
- ✱ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 163(3).
- ¢ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ✱ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

B.Fr. Belgian Francs. Fr. French Francs. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or official estimates for 1984. M Dividend and yield based on prospectus or other official estimates for 1985-86. N Dividend and yield based on prospectus or other official estimates for 1985. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations. xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xg ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Albany Inv 20p	80	.....
Craig & Rose £1	750xd	.....
Finlay Pkg. 5p	43	.....
Higsons Brew.	83	.....
Holt (Jos) 25p	880	.....
IoM Stm. £1	132	.....
IRISH		
Exch. 12% 1985	£99	.....
Nat. 9¾% 84/89	£84⅞	.....
Fin. 13% 97/02	£94⅝	.....
Alliance Gas	65	.....
Arnott	223	.....
CPI Hldgs.	85	.....
Carroll Inds.	103xd	.....
Hall (R. & H.)	55	.....
Heiton Hldgs.	18	.....
Irish Ropes	42	.....
Jacob (W. & R.)	65½	+½
TMG	50	.....
Unidare	88	.....

OPTIONS — 3-month call rates

Industrials	
Allied-Lyons	15
BOC Grp.	27
BSR	26
Babcock	17
Barclays Bank	45
Beecham	32
Blue Circle	40
Boots	16
Bowaters	25
Brit Aerospace	20
BAT	15
Brown (J.)	3
Burton Ord	22
Cadburys	11
Comm Union	16
Courtaulds	11
Debenhams	14
Distillers	22
Dunlop	5
FNFC	6¼
Gen Accident	42
Gen Electric	16
Glaxo	70
Grand Met	38
GUS 'A'	55
Guardian	50
GKN	20
Hanson Tst	17
Hawker Sidd	38
Hse of Fraser	26
ICI	42
'Imps'	12
ICL	7½
Ladbroke	23
Legal & Gen	45
Lex Service	40
Lloyds Bank	50
'Lofs'	3
Lucas Inds	18
'Mams'	14
Marks & Spcr	20
Midland Bk	36
NEI	10
Nat West Bk	60
P & O Dfd	25
Plessey	20
Racal Elect	18
RHM	8
Rank Org Ord	24
Reed Intnl	40
Sears	3
TI	22
Tesco	16
Thorn EMI	55
Trust Houses	18
Turner Newall	10
Unilever	75
Vickers	14
Woolworth Hldg.	50
Property	
Brit Land	11
Cap Counties	16
Land Secs	25
MEPC	25
Peachey	17
Samuel Props	12
Sterling Guar.	4
Oils	
Brist. Oil & Min	9
Brit Petroleum	35
Burmah Oil	17
Charterhall	9
Premier	6
Shell	65
Tricentrol	20
Ultramar	60
Mines	
Charter Cons	24
Cons Gold	58
Lonrho	12
Rio T Zinc	60

A selection of Options traded is given on the London Stock Exchange Report page.

"Recent Issues" and "Rights" Page 39

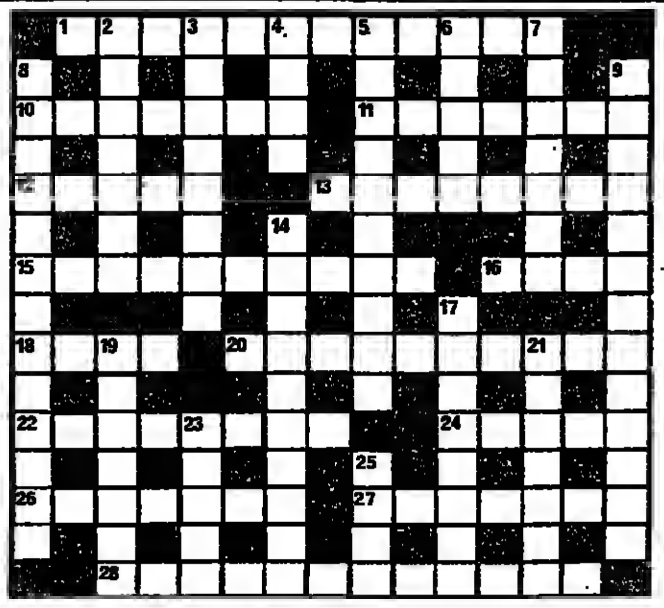
This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £700 per annum for each security.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

INSURANCES

F.T. CROSSWORD PUZZLE No. 5,458



ACROSS

1 A grammatical building (12)
10 Size is pointless, following broken time detail (7)
11 The Lord's streaker, perhaps, who made nun reform (4,3)
12 Alan's furious—about description of his facial feature maybe! (5)
13 A good one is essential to breeders (8)
15 Twelve, for example, find flat before some others (4, 6)
16 All is harmonious in this club (4)
18 Catch, as perhaps part of latch (4)
20 Robin aims to do this at dawn (5, 1, 4)
22 Newspapers take in a hundred to see the royal child (8)
24 Prepare leather around it for a man of outstanding strength (5)
26 Experienced worker with gnarled knuckles perhaps (3, 4)
27 Great understanding shown by mythical mountain creature (3, 4)
28 Going in about a topless satin creation proves most amusing (12)

DOWN

2 Manage to look after the finish (7)
3 Agreeing to take direction before rinsing out (8)
4 Glance lasciviously back at the dance (4)
5 Assembly to talk over the directionless, confused scene (10)
6 Lemur that lurks in mountain drifts (5)
7 Run lame and injure the figure (7)
8 Christopher's woodland friend (6, 3, 5)
9 Tried nine lame constituent with inconclusive result (13)
14 Find minister in morning by deep road works (10)
17 Lily shows a man round right before an attempt (8)
19 Led about after mixed wins to dupe us all (7)
21 Anachronistic tour won a new arrangement (7)
23 Take it easy, as in the baby's resting place (5)
25 Sailor following a man of some degree to Scandinavian chartist group (4)

Solution to Puzzle No. 5,457

INSURANCE, OVERSEAS & MONEY FUNDS

OFFSHORE AND OVERSEAS

World Wide Growth Management
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd	$21.33	+0.01	—

Inv. Adv.: M. G. G. Inv. Mngt., Ltd., London.

Wren Commodity Management Ltd.
10, St George's St, Douglas IoM. 0624 25015

Wren Com. Fund	17.0	18.6	.....	3.10
Chinese Fund	39.5	42.0	.....	1.70
Precious Metal Fund	120.6	133.9	.....	8.30
Vanguard Cmdy. Fd.	28.6	29.3	.....	2.26
Financial Futures Fd	60.5	61.0	.....	—

Yamaichi Dynamic Mngt Co SA
10A Boulevard Royal, Luxembourg

Dynamic Gwth Fd	58.83	+0.10	—

Money Market Trust Funds

	Nom	Apr	Int Cr	Notice
Mallinhall Ltd				
36 Berkeley Sq, W1X 5DA. 01-499 6634				
M'hall Mny Fd	8.15	8.41	Qtrl	Call
The Money Market Trust				
63 Qn Victoria St, EC4N 4ST. 01-236 0952				
Call Fnd	9.22	9.43	6-mth	Call
7-day Fnd	8.34	8.72	6-mth	7-day
Oppenheimer Money Management Ltd				
66 Cannon St, EC4N 6AE 01-236 1425				
Call Fnd	8.58	8.76	6-mth	Call
7-day Fund	8.37	8.54	6-mth	7-day
Hi-Int Dp Acc	8.58	8.76	6-mth	1-day
Dollar	10.19	10.44	6-mth	2-day

Money Market Bank Accounts

	Nom	APR	Int Cr	Notice
Aitken Hume				
30 City Road, EC1Y 2AY. 01-638 6070				
Treasury Acc	8.75	9.04	Qtrl	Call
Monthly Acc	8.75	9.11	Mthl	Call
Bank of Scotland				
38 Threadneedle St, EC2P 2EH. 01-628 8060				
Cheque Acc	8.75	9.11	Mthl	Call
Barclays Prime Account				
PO Box 125, Northampton 0604 252891				
High Int Cheque	8.75	9.04	Qtrl	Call
Britannia Grp of Investment Companies				
29 Finsbury Circus, EC2M 5QL. 01-588 2777				
Cater Allen	8.5	0.039	Mthl	Call
Charterhouse Japhet plc				
1 Paternoster Row, EC4M 7DH. 01-248 3999				
Sterling	9.00	9.38	Mth	Call
U.S. Dollar	11.25	12.01	Mth	Call
German Marks	5.175	5.59	Mth	Call
Swiss Francs	4.5	4.66	Mth	Call
Japanese Yen	5.625	5.85	Mth	Call
Choulartons				
30 Ashley Rd, Altrincham, Cheshire, WA1 2DW 061-920 9011				
Cheque Acc	9.12	9.51	Mthl	Call
Co-operative Bank				
78-80 Cornhill EC3 01-626 6543 Ex 464				
Cheque & Save	7.50	7.70	Qtrl	Call
Over £1,000	9.30	4.02	Qtrl	Call
Dartington & Co Ltd				
Dartington Totnes, Devon TQ9 6JE. 0803 862271				
Money Mkt Acc	8.75	9.04	Qtrl	Call
Lombard North Central PLC				
17 Bruton St, W1A 3DH. 01-409 3434				
Notice Dep	9.0	0.2	Rate	14-day
M & G/Kleinwort Benson				
91-99 New London Rd, Chelmsford. 0245 51651				
High Int Cheque Acc	9.00	9.42	Daily	Call
Midland Bank plc				
PO Box 2, Sheffield. 0742 20999 Ext 8275				
High Int Chq	8.75	9.04	Qtrl	Call
Save & Prosper/Robert Fleming				
28 Western Rd Romford RM1 3LB. 0708 66966				
High Int Std. Acc	8.25	8.60	Daily	Call
Premier Acc	8.25	8.60	Daily	Call
Tyndall & Co				
29-33 Princess Victoria St, Bristol BS8 4BX. 0272 732241				
Demand Acc	8.39	8.65	Qtrl	Call
Money Acc.	8.50	8.71	Qtrl	Chq 3
J. Henry Schroder Wagg & Co Ltd				
Enterprise House, Portsmouth 0705 827733				
Special Acc	8.24	8.56	Mth	Call
Over £10,000	8.49	8.83	Mth	Call

NOTES —Interest rates given both as a nominal rate and an annual percentage rate adjusted for frequency of interest credit.

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ¶ Guernsey gross. ‡ Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ♦ Yield column shows annualised rates of NAV increase.

COMMODITIES AND AGRICULTURE

Record sugar export subsidy

BY RICHARD MOONEY

THE European Commission authorised record sugar export rebates at its weekly tender in Brussels yesterday. It granted export licences on 50,250 tonnes of white sugar and set the maximum export rebate at 425.76 European currency units (£253) per tonne.

The rebate was up from 414.35 Ecu last week, reflecting the continuing decline in the world market price following the failure of talks in Geneva last month aimed at negotiating a new price—stabilising International Sugar Agreement (ISA).

The EEC rebates are set at a level which bridges the gap between the protected Community price and the world market price.

The world sugar price has been under pressure for some time because of a persistent surplus of production over demand and the ineffectiveness of the ISA in matching export availability to the market.

Hopes that an ISA to replace the current one, which expires at the end of this year, would be able to bring the sugar trade into balance disappeared last week when the EEC and other leading exporters gave up on a last-ditch attempt to agree on export quotas.

The London daily price (LDP) for raw sugar declined £3.50 yesterday to £93.50 a tonne, taking the fall since the collapse of the ISA talks to £5.50 a tonne. On the London futures market, however, nearby prices steadied a little, ending a period of sustained falls.

In sterling terms yesterday's LDP was the lowest since October 1982 but in dollar terms world prices stand at the lowest levels since December 1971.

● A significant improvement in sugar prices in the coming six months looks improbable, sugar dealer E. D. and F. Man says in its monthly market report.

The market looks set to remain in surplus for 1984-85 (September-August). Early signs show European beet crops are making healthy progress and offtake remains sluggish from final buyers, the report says.

Lead prices rally on Peruvian strike

BY JOHN EDWARDS, COMMODITIES EDITOR

LEAD PRICES rallied on the London Metal Exchange yesterday, after falling for two days, following news that workers at the state-owned Peruvian silver and lead producer, Centromin, had gone on indefinite strike to press for last year's profit bouns.

Reuter reported from Lima that the union claimed 90 per cent of the company's 17,000 employees had joined the strike.

Cash lead closed £6 up at £378.5 a tonne. The market was also boosted by forecasts of further shipments of stocks out from the LME warehouses by merchants and producers covering delivery commitments.

Zinc held steady in spite of overnight news that Cominco, the Canadian producer, had tentative by agreed new labour contracts for Pine Point mine workers.

Aluminium, however, lost further ground after a report that talks between Alcan and Quebec plant workers were progressing well and had reached the final stages.

Third World fertiliser aid scheme sought

BY MARY CHERRY

THE International Fertiliser Industry Association expects developing countries to remain the most dynamic sector of the world fertiliser market, said Mr K. L. C. Windridge, the association's secretary general, at the Agro-Energy Roundtable's fifth annual conference, in Geneva.

None the less a universally-applicable scheme for allocating credit to such contries to by fertilisers and possibly other agricultral inputs when the international price of these rose above a predefined average was needed. Such credit would be repaid in a specific period when prices fell.

He said the UN Food and Agriculture Organisation had suggested the International Monetary Fund should consider compensatory financing facility for this purpose, similar to that set op for cereals a few years ago but neither the IMF nor the World Bank claimed to be suited to universal commodity credit schemes.

It did not seem impossible, however, to conceive of a combination of IMF financial expertise, World Bank fertiliser-industry expertise and FAO agricultural knowledge, particularly in the light of FAO's experience with the International Supply Scheme.

He refered to the suggestion by Dr Moeen Qureshi, World Bank senior vice-president (finance) at the IFA annual conference in Mexico City recently.

This was that the industry look to commercial banking for support.

Soviet Union resumes U.S. wheat purchases

THE Soviet Union, after nearly three months' absence, has re-entered the U.S. grain market and brought 1.2m tonnes of wheat, according to the U.S. Agriculture Department.

The Soviet Union's last major purchase of U.S. grain was in March but there have been recent reports that its crop this year would be below last year's relatively poor harvest of about 190m tonnes.

Traders said they believed large Soviet wheat-buying since last Friday reflected expectations of a poor quality domestic crop.

Some experts said that by buying higher quality U.S. wheat the Soviet Union could use its poor-quality domestic crop for animal feed.

Soviet grain-harvesting is well behind last year's pace, Izvestia, the government newspaper, said yesterday. Grain had been harvested from 3.8m hectares by July 2 compared with 10.9m hectares by July 4 last year.

The French Cereals Intervention Board (ONIC) is expected to forecast a record 1984-85 French soft-wheat crop of between 26.6m and 28.1m tonnes compared with 24.4m tonnes in 1983-84, according to Paris traders.

ONIC's first estimate of the 1984-85 crop, which includes deliveries and consumption on the farm, is due on July 12.

● FARMLAND prices in England and Wales fell back in May reflecting uncertainty about farming prospects following imposition of EEC dairy quotas. The weighted average price for vacant-possession land, which allows for area and size group variations in the sample, slipped from £5,271 a hectare in the February-April quarter to £5,146 in March-May quarter.

● TEA prices averaged 218.84p a kilo at London's auction on Monday, down from 219.52p last week, according to the Tea Brokers Association of London.

Young Turks thrive on New York futures exchanges

BY NANCY DUNNE IN WASHINGTON

THE ACCENT is on youthful leadership at New York's futures exchanges. Aggressive and ambitious—like the traders on their floors—they chart a difficult course between the demands for innovation and new growth, and regulatory requirements that they give careful supervision to their markets.

So far, the young Turks *appear to be thriving*—and *all* thee xchanges are benefiting from an increase in trading volume.

In the wake of the Hunt silver debacle, Mr Alan Brody was appointed president of the New York Commodity Exchanga (Comex). At 28, he was the youngest man ever to assume that post on a U.S. futures exchange.

Mr Mich el Marks stood at the heating oil pit on the New York Mercantile Exchange (Nymex), virtually alone for days on end. Determined to find salvation in energy futures, he was, at 29, the youngest exchange chairman ever elected.

Mr James Bowe, senior vice-president of the Coffee, Sugar and Cocoa Exchange (CSCE), is, at 32, responsible for the exchange's first foray into index contracts. CSCE prays that inflation will continue as a prime concern of the business community.

Mr Ben Corn became president of hte CSCE eight years ago at the age of 32. Mrs Rosemary McFadden, the new president of Nymex and the first woman to head any exchange, is 35.

Mr Brody, after three years on the job, claims: "I've made no catastrophic mistakes. There have been no significant market disruptions. In fact, I think I'm doing this job well."

Comex officials agree. They say he's an excellent, self-confident manager. He has made few structural changes but there exists in each department now "a more pervasive sense of strength."

Mr Brody launched his career from the New York law firm of Baer Marks and Upham, which handled the exchange's business. After the silver collapse he moved over to the exchange as vice-president and chief legal officer.

His unflappability and his 11-hour days paid off. A year later he was president.

Mr Brody's "*minimum*" goal is to maintain Comex predominance in U.S. metals. He wants more—a global presence for the exchange, which initially means achieving a proposed linkage in gold trading with the Sydney futures exchange.

Mr Bowe, at the CSCE, is taking his third shot at victory in contract innovation. Formerly vice-president for marketing and new product development at Comex, he wrote the financial contracts which the exchange introduced in an unsuccessful challenge to the Chicago Mercantile Exchange.

He later designed the CSCE sugar options. But Congress passed a sugar price support programme which led to quotas and soured sugar options.

The exchange made a mistake, says Mr Bowe in not expanding its membership to spur increased activity. This error will not be repeated when CSCE introduces its new index contracts which will permit hedging against the consumer price index, housing starts, retail new car sales and corporate income.

"These contracts could be the most active in the market. In this business environment, everyone wants to reduce the risk of inflation."

On June 13 the board of managers agreed to sell associate memberships (50 intially at $10,000 each) to trade both the new index contracts and options.

Mr Marks came to Nymex in 1977 when the exchange was in deep trouble. It had barely survived a potato default, and seats, now worth $80,000 each, were going for an affordable $5,000.

"There was no business. There was no one left but a few disgruntled traders," he said. All that saved Nymex was its move to the World Trade Centre—and a platinum boom.

By the time he was chairman in 1979, the exchange faced a new disaster in the potato market. The board quickly closed the market, and everyone got their money back. But the reverberations were felt from Maine to Washington. The CFTC considered closing the exchange—Comex wanted to buy it.

"We were battered and bloody, just trying to survive," says Mr Marks.

He traded platinum and palladium "just to make a living," and he took up his vigil in the heating oil pit.

Help came when Mr Marks convinced his former professor from Princeton to accept the exchange presidency. With a government background and credibility with the CFTC, Mr Dick Leone was able to rebuild the staff and seek support from the oil industry for the exchange's lone energy contract.

"We catered to their needs and demands," says Mr Marks. The groundwork laid in 1979 and 1980 paid off and by 1981 heating oil took off with a revised New York delivery point. Leaded regular gasoline came next and then crude oil, when Nymex successfully fought off a direct attack from the Chicago Board of Trade.

The exchange now holds fourth place in volume. The rebuilding has been satisfying, he says, but he is impatient with political decision-making and consensus building.

"The bigger it gets, the more political it gets. There are different factions now. New groups to be satisfied. It's not my style."

Still, Mr Marks likes the challenge, and he would like to do it again with another vehicle—"and this time get paid for it."

Mrs Rosemary McFadden, president of New York Mercantile Exchange (Nymex), the first woman to head any exchange, and Mr Mich el Marks, Nymex chairman.

PRICE CHANGES

In tonnes unless stated otherwise	July 4 1984	+ or —	Month ago
Metals			
Aluminium	£1100	......	£1100
Free Mkt	$1260/1230	+5.00	$1370/400
Copper			
Cash h Grade	£1000.5	[illegible]	[illegible]

	July 4 1984	+ or —	Month ago
Oils			
Coconut (Phil)	$1470	—46	$1370
Groundnut	‡	......	‡
Linseed Crude	‡	......	‡
Palm Malayan	$590w	—50	$660

[illegible]

BRITISH COMMODITY PRICES

BASE METALS

BASE-METAL PRICES were little changed in quiet trading on the London Metal Exchange. Copper traded in a £4 range and closed the late kerb at £1,020.5, while Lead ended the day at £374.75 and Zinc at £633.75. Currency considerations left forward [illegible]

COPPER

[illegible]

TIN

[illegible]

LEAD

[illegible]

ZINC

[illegible]

ALUMINIUM

[illegible]

NICKEL

[illegible]

SILVER

Silver was fixed 2.45p an ounce lower for spot delivery in the London bullion market yesterday at 609.55p. U.S. cent equivalents of the fixing levels were: spot 915.6c, down 5.4c; three-month 940.3c, down 5.3c; six-month 968.0c, down 5.1c; and 12-month [illegible]

COCOA

[illegible]

COFFEE

[illegible]

GRAINS

[illegible]

PIGMEAT

[illegible]

... close on the lows, reports CCST Commodities.

Sales: 106 (90) lots of 50 carcases 3,250 kilos.

Month	Yesterdays close	Previous close	Business done
	p. per kilo (deadweight)		
[illegible]			

POTATOES

[illegible]

RUBBER

[illegible]

SOYABEAN MEAL

[illegible]

SUGAR

[illegible]

COTTON

[illegible]

WOOL FUTURES

[illegible]

MEAT/FISH

MEAT COMMISSION—Average fatstock prices at representative markets. GB Cattle 97.34p per kg lw (—0.99); GB Sheep 182.96p per kg est dcw (+13.88); GB Pigs 81.89p per kg lw (+1.81).

SMITHFIELD—Pence per pound. Beef: [illegible]

INDICES

FINANCIAL TIMES

[illegible]

REUTERS

[illegible]

MOODY'S

[illegible]

DOW JONES

[illegible]

LONDON OIL

[illegible]

GAS OIL FUTURES

[illegible]

SPOT PRICES

[illegible]

GOLD MARKETS

[illegible]

LONDON FUTURES

[illegible]

EUROPEAN MARKETS

[illegible]

Honey desires to sweeten its image

BY A CORRESPONDENT

A BEEKEEPING university lecturer stung the British honey trade last year by asserting that honey in the UK was being adulterated with cheaply-produced high-fructose syrup to as much as half the volume of the product sold in jars.

The charge was accompanied by the suggestion that imported honeys are inferior to English because the flora of this country are better and "imported honey must be processed, which reduces its nutritional value."

Since then honey-trade leaders have formed the impression the remarks by Dr Laurie Croft, of Salford University, have helped to weaken demand for honey—though for English rather than foreign.

Over the past five years Britain's appetite for honey, while only a third of that of West Germany, crept up by 3 per cent, lifting consumption to last year's record of 22,000 tonnes, all but about 2,000 of which were imported.

Devotees of the local product, which commands prices well above £2,000 a tonne before packing, were more likely than others to be influenced by reports that imports worth 40p a pound were being added to English honey three times as valuable and sold as home-produced, the "blenders" pocketing the difference. People content with blends have not been put off to the same extent.

Foremost among sources of Britain's honey imports is Australia, accounting last year for 7,500 tonnes. Australia's size, climate and multitude of flora provides a wider range of honeys than any other source. It is relied on most for blending.

Its products vary in price from below the average of about £750 for some eucalyptus honeys to somewhat above it for such types as Tasmanian Leatherwood, which is sold mostly pure. Mexican and Chinese prices are a little below Australian.

Prices vary, ranging from about £600 a tonne for the cheapest industrial honeys to £2,000 or more for English and for Greek Hymettus. This comes from bees that enjoy wild thyme on the slopes of Mount Hymettus to produce honey which aficionados believe is descended from the nectar of the gods.

What Greek honey possesses in quality, however, it lacks in quantity. Only about 40 tonnes reach the British market annually. Just as well, say other suppliers, with EEC membership exempting Greek honey from the 25 per cent to 27 per cent tariffs applied against outside imports.

Supplies from Spain were once substantial but have dwindled to almost Greek proportions, token tonnage commanding such premium prices as £500 a tonne for Rosemary and £900 a tonne from orange Blossom.

If Spain joins the EEC, more of her honey could come here, giving other producers something to think about.

The modest long-term growth of the British honey market may receive a stimulus from health-consciousness and promotion. The promotion includes a brochure to be issued soon by the Honey Importers' and Packers' Association to answer the charge of adulteration, examine the claim that "English honey is far superior to anything imported" and to reassure consumers by tracing money's progress step by step from bee to jar.

The association does not deny that there may be some unscrupulous practices going on in honey but wants them put into perspective and if possible stamped out. To this end it is seeking access to the trade to tests that can detect adulteration though as yet they remain complex, tedious and understood by only a few UK scientists.

Scope for extending the UK honey market would seem abundant, present consumption being 0.5 kg a head only compared with 1.5 kg in West Germany.

New Zealand may export high-quality fiord water

BY SELWYN PARKER IN AUCKLAND

THE New Zealand Government is considering a NZ$70m (£33m) initial contract for the export of high-quality water from a protected scenic area in the South Island's fiordlands.

Oklahoma-based Triune Resources has recently signed an agreement with United Grocers, a California-located retailer, to supply a minimum 223,000 tonnes of water a month—equivalent to a 50,000-tonne tanker loaded to the gunwales every six days.

According to Mr James Beauchamp, Triune's president, the initial contract—first of a number the company expected to sign—would gross NZ$70m a year. About NZ$50m would be kept in New Zealand. The agreement provides for a 12½-times rise in the initial minimum order to 2,788,000 tonnes a month. That adds up to more than 55 full tanker-loads a month.

Mr Beauchamp said Triune would base its operations in Deep Cove, Fiordland, the water of which was among the world's best and purest. The company would expand water sales around the world. He said fresh water was an increasingly scarce commodity on international markets.

Before Triune could proceed, however, it required the approval of several government departments, chiefly the Transport Ministry, Customs, Ministry of Works and the Environment Commission.

Malaysia loan issue

The Malaysian Government is making a loan issue of 1.5bn ringgit on the domestic market. The proceeds will be used to finance development.

The issue will comprise 300m ringgit of three-year stock at 6.5 per cent annual interest and 1.2bn ringgit at 20-year stock at 8.5 per cent, both at par.

The issue will open on July 10.

CURRENCIES; MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar and pound weaker

The dollar eased in quiet foreign exchange trading, influenced by the closure of U.S. markets for Independence Day. Underlying sentiment remained very strong as far as the dollar was concerned, but the success of the U.S. Treasury's auction of seven-year notes on Tuesday led to greater confidence in credit markets and brought the dollar down from its recent very high levels. The fall also resulted from the decline in the Federal funds rate in New York on Tuesday.

These factors coupled with fears that central banks would attempt to push the dollar down in the absence of the New York market prevented any attempt to push the dollar higher in Europe. The Bank of Japan had been seen to intervene in earlier Tokyo trading, but sales of dollars by the Bundesbank were probably confined to the fixing, with the German authorities content to see the dollar weaken without any extra effort from them.

The dollar fell to DM 2.8170 from DM 2.8210 against the D-mark FFr 8.64 from FFr 8.6550 against the French franc; and SwFr 2.3640 from SwFr 2.3670 in terms of the Swiss franc, but has improved slightly to Y239.80 from Y238.65 against the Japanese yen.

On Bank of England figures the dollar's trade-weighted index rose to 135.1 from 135.0.

STERLING — Trading range against the dollar in 1984 is 1.4995 to 1.3360. Trade-weighted index unchanged throughout at 78.6, compared with 82.0 six months ago.

Sterling fell to another record low of $1.33555-1.3365 against the dollar, a fall of 15 points on the day, and also touched an all time trading low of $1.3335. The pound continued to suffer from the reluctance of the authorities to sanction a rise in London interest rates and fell to DM 3.7625 from DM 3.77; FFr 11.5850 from FFr 11.5650; SwFr 3.1550 from SwFr 3.1625; and Y319.75 from Y320.25.

D-MARK — Trading range against the dollar in 1984 is 2.8425 to 2.5535. June average 2.7393. Trade weighted index 124.6 against 123.7 six months ago.

The dollar was fixed at DM 2.8107 against the D-mark at yesterday's fixing in Frankfurt, slightly up from Tuesday's figure of DM 2.8071. The Bundesbank sold $16.6m at the fixing but did not appear to be intervening in the open market. Trading volume was on the low side with U.S. centres closed. Consequently there was little strong incentive to push the dollar much firmer on fears of aggressive intervention by European central banks.

Elsewhere sterling eased to DM 3.7620 from DM 3.7650 while the Swiss franc improved to DM 1.1943 from DM 1.1924. Within the EMS the Dutch guilder was slightly easier at DM 88.67 per Fl 100 from DM 88.69 and the Belgian franc was unchanged at DM 4.917 per BFr 100.

BELGIAN FRANC—Trading range against the dollar in 1984 is 57.92 to 52.24. June average 55.80. Trade weighted index 89.6 against 89.0 six months ago.

The Belgian franc was steady in quiet trading in Brussels yesterday. Figures released yesterday showed that the Belgian central bank had not intervened in the week up to July 2, indicating the franc's satisfactory performance. Although the weakest member of the EMS, the franc was able to keep within its divergence limit due to the current weakness of the D-mark against the dollar.

The dollar was fixed at BFr 57.1750 yesterday up from BFr 57.0350 and sterling improved to BFr 76.5475 from BFr 76.43. Within the EMS the D-mark was slightly firmer at BFr 20.3350 from Bfr 20.3037½ and the French franc improved to BFr 6.6297½ from BFr 6.6130. The guilder was also firmer at BFr 18.0360 compared with BFr 18.0090.

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu July 4	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	44.9008	45.4600	+1.25	+1.16	±1.5447
Danish Krone	8.14104	8.19139	+0.62	+0.53	±1.6425
German D-Mark	2.24184	2.23664	−0.28	−0.37	±1.0942
French Franc	6.87456	6.88034	−0.21	−0.30	±1.4052
Dutch Guilder	2.52595	2.52160	−0.16	−0.25	±1.4964
Irish Punt	0.72569	0.730266	+0.63	+0.54	±1.6699
Italian Lira	1403.49	1374.17	−2.09	−2.09	±4.1505

Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

£ in New York

	July 3	Prev. close
Spot	1.6335-3345	$1.6490-3500
1 month	0.33-0.34 dis	0.34-0.36 dis
3 months	0.92-0.94 dis	0.94-0.96 dis
10 months	3.70-3.75 dis	3.73-3.78 dis

£ forward rates are quoted in U.S. cents discount. * New York closed July 4.

THE POUND SPOT AND FORWARD

July 4	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.3335-1.3410	1.3355-1.3365	0.31-0.34c dis	−2.92	0.92-0.96dis	−2.81
Canada	1.7640-1.7690	1.7650-1.7660	0.37-0.45c dis	−2.81	1.25-1.37dis	−2.99
Nethlnd.	4.23¾-4.26½	4.23½-4.24½	1⅞-⅞c pm	3.01	3⅞-3⅜ pm	3.42
Belgium	76.35-76.70	76.45-76.55	11-17c dis	−2.20	32-41 dis	−1.91
Denmark	13.77-13.80½	13.78-13.79	2.85-3.65ore dis	−2.85	4.65-5.70dis	−1.50
Ireland	1.2285-1.2325	1.2285-1.2295	0.24-0.36p dis	−2.93	0.73-0.92dis	−2.68
W. Ger.	3.75½-3.77½	3.75¾-3.76¾	1⅛-1pf pm	3.59	3⅞-3⅜ pm	3.72
Portugal	196.80-198.50	196.90-197.40	45-185c dis	−7.00	140-550 dis	−7.00
Spain	212.80-213.70	213.10-213.30	80-110c dis	−5.36	270-320 dis	−5.53
Italy	2,304-2,314½	2,309-2,311	11-14 lire dis	−6.48	34-37 dis	−6.10
Norway	10.76-10.81¾	10.76-10.78	3.50-4.45ore dis	−4.42	8.80-9.80dis	−3.45
France	11.50¾-11.58½	11.53-11.54	2½-3½c dis	−2.99	8½-9½ dis	−3.12
Sweden	10.97¾-11.01	10.96-10.98	3.85-4.55ore dis	−4.47	9.40-10.40dis	−3.60
Japan	319¾-321	319¾-320¾	0.90-0.80y pm	3.19	2.75-2.85 pm	3.38
Austria	26.34-26.45	26.34-26.39	5⅞-4⅝gro pm	2.36	18½-15½ pm	2.55
Switz.	3.14¾-3.16½	3.15-3.16	1⅜-1c pm	4.52	4⅛-3⅞ pm	5.15

Belgian rate is for convertible francs. Financial franc 77.35-77.45.
Six-month forward dollar 1.83-1.88c dis, 12-month 3.67-3.77c dis.

THE DOLLAR SPOT AND FORWARD

July 4	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.3335-1.3410	1.3355-1.3365	0.31-0.34c dis	−2.92	0.92-0.96dis	−2.81
Ireland†	1.0855-1.0900	1.0860-1.0870	0.02c pm-0.03 dis	−0.05	0.02pm-0.08d	−0.11
Canada	1.3185-1.3230	1.3225-1.3230	0.01-0.03c dis	−0.19	0.04-0.07dis	−0.17
Nethlnd.	3.1690-3.1795	3.1770-3.1780	1.61-1.58c pm	6.02	4.93-4.90 pm	6.19
Belgium	57.10-57.31	57.28-57.31	3½-2c pm	0.58	13-10 pm	0.80
Denmark	10.28½-10.33	10.32¼-10.32¾	1.25-0.75ore pm	1.18	4.35-3.85 pm	1.59
W. Ger.	2.8060-2.8225	2.8165-2.8175	1.50-1.47pf pm	6.32	4.61-4.56 pm	6.51
Portugal	147.00-148.50	147.50-148.50	par-100c dis	−4.05	par-300 dis	−4.05
Spain	159.30-159.85	159.65-159.75	25-40c dis	−2.44	90-120 dis	−2.63
Italy	1,724½-1,731	1,728½-1,729½	4½-5 lire dis	−3.29	13¼-14¼ dis	−3.29
Norway	6.0700-8.0810	8.0750-8.0800	0.15-0.65ore dis	−0.59	0.40-0.90dis	−0.32
France	8.6100-8.6670	8.6375-8.6425	0.10c pm-par	0.07	0.10-0.50dis	−0.14
Sweden	8.2125-8.2325	8.2250-8.2300	0.40-0.90ore dis	−0.95	0.95-1.45dis	−0.58
Japan	238.00-239.86	239.75-239.85	1.23-1.19y pm	6.06	3.74-3.69 pm	6.20
Austria	18.70-19.77	19.75-19.76	9-8½gro pm	6.32	27½-25¼ pm	5.42
Switz.	2.3470-2.3670	2.3635-2.3645	1.48-1.44c pm	7.42	4.96-4.62 pm	7.86

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 57.90-57.95.

OTHER CURRENCIES

July 4	£	$		£ Note Rates
Argentina Peso	69.46-69.63	51.98-51.04	Austria	26.35-26.65
Australia Dollar	1.5610-1.5650	1.1680-1.1696	Belgium	77.00-77.60
Brazil Cruzeiro	2,329.9-2,346.3	1,744-1,753	Denmark	13.71-16.86
Finland Markka	7.9300-7.9495	5.9525-5.9675	France	11.49-11.60
Greek Drachma	147.75-148.30	110.70-111.00	Germany	3.74¼-3.78¼
Hong Kong Dollar	10.43-10.45½	7.8185-7.8205	Italy	2285-2315
Iran Rial	120.50*	89.50*	Japan	318-324
Kuwait Dinar(KD)	0.39350-0.39380	0.2964-0.2965	Netherlands	4.23¼-4.26¼
Luxembourg Fr	76.45-76.55	57.26-57.31	Norway	10.70-10.80
Malaysia Dollar	3.0950-3.1050	2.3215-2.3335	Portugal	195-198
New Zealand Dlr	2.1815-2.1855	1.6325-1.6360	Spain	204½-216
Saudi Arab. Riyal	4.6910-4.6955	3.5115-3.5130	Sweden	10.94-11.05
Singapore Dollar	2.8550-2.8600	2.1365-2.1385	Switzerland	3.14½-3.18¼
Sth African Rand	2.0050-2.0100	[illegible]	United States	1.33¼-1.34¾
U.A.E. Dirham	4.9055-4.9115	3.6730-3.6750	Yugoslavia	167-193

* Selling rates.

CURRENCY MOVEMENTS

July 4	Bank of England Index	Morgan Guaranty Changes%
Sterling	78.6	N/A
U.S. dollar	135.1	"
Canadian dollar	87.0	"
Austrian schilling	116.1	"
Belgian franc	89.3	"
Danish Kroner	77.8	"
Deutsche mark	124.6	"
Swiss franc	145.2	"
Guilder	114.0	"
French franc	65.6	"
Lira	48.3	"
Yen	166.1	"

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (base average 1975=100).

CURRENCY RATES

July 4	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	N/a	0.594758
U.S. $	9	"	0.794894
Canadian $	12.36	"	1.04966
Austria Sch.	4½	N/a	16.2753
Belgian Fr	11	"	45.4600
Danish Kr.	7	"	8.19138
D'mark	4½	"	2.23664
Guilder	5	"	2.52160
French Fr.	9½	"	6.88034
Lira	15½	"	1374.17
Yen	5	"	190.296
Norwgn Kr.	8	"	6.41758
Spanish Pta.	—	"	126.666
Swedish Kr.	8½	"	6.52885
Swiss Fr.	4	"	1.87180
Greek Drch	20½	"	88.0906
Irish Punt	12¾	"	0.730266

*CS/SDR rate for June 28: 1.36376.

EXCHANGE CROSS RATES

July 4	Pound Sterling	U.S. Dollar	Deutschem'k	J'panese Yen	FrenchFranc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.336	3.763	319.8	11.545	3.158	4.240	2310.	1.766	76.50
U.S. Dollar	0.749	1.	2.817	239.5	8.640	2.364	3.175	1729.	1.323	57.28
Deutschemark	0.266	0.355	1.	84.98	3.066	0.839	1.127	614.0	0.469	20.33
Japanese Yen 1,000	3.127	4.176	11.77	1000.	36.08	9.867	13.26	7225.	5.522	239.2
French Franc 10	0.867	1.158	3.263	277.2	10.	2.735	3.676	2003.	1.531	66.32
Swiss Franc	0.317	0.423	1.193	101.3	3.656	1.	1.344	732.2	0.560	24.25
Dutch Guilder	0.236	0.315	0.887	75.41	2.721	0.744	1.	544.8	0.416	18.04
Italian Lira 1,000	0.433	0.578	1.629	138.4	4.994	1.366	1.836	1000.	0.764	33.12
Canadian Dollar	0.566	0.756	2.131	181.1	6.534	1.787	2.402	1309.	1.	43.33
Belgian Franc 100	1.307	1.746	4.918	418.0	15.08	4.124	5.542	3020.	2.308	100.

EURO-CURRENCY INTEREST RATES (Market closing rates)

July 4	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Kroner
Short term	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7 days' notice	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One year	10¼-10⅜	13⅛-13¼	13⅝-16½	6½-7⅛	4⅛-4⅛	6½-6⅞	14¼-14⅛	17-17⅛	15⅞-16	12-12¼	6⅞-6⅞	11¼-12¼

Asian $ (closing rates in Singapore): Short-term 11½-11⅝ per cent; seven days' 11⁹⁄₁₆-11¹¹⁄₁₆ per cent; one month 11⅞-12 per cent; three months 12¼-12⅜ per cent; six months 12¹³⁄₁₆-12¹⁵⁄₁₆ per cent one year 13⁵⁄₁₆-13⁷⁄₁₆ per cent. Long-term Eurodollars: two years 14⅛-14⅜ per cent; three years 14⅜-14½ per cent; four years 14½-14⅝ per cent; five years 14½-14⅝ per cent nominal closing rate. Short-term rates are call for U.S. banks and Japanese yen: two days' notice.

MONEY MARKETS

London rates easier

Interest rates were slightly easier on the London money market yesterday, continuing to track movements in U.S. rates. After rising to a peak of around 13¼ per cent in New York on Monday the Federal funds rate fell back to 10 per cent at Tuesday's close, while yesterday U.S. financial markets were closed for Independence Day.

Three-month sterling interbank fell to 9⅞ per cent from 9⁹⁄₁₆ per cent, and discount houses buying rate for three-month bank bills to 9⁵⁄₁₆ per cent from 9⁷⁄₁₆ per cent.

UK clearing banks' base lending rate 9¼ per cent (since May 10 - June 27)

The Bank of England forecast a money market shortage of £400m.

Bills maturing in official hands, repayment of late assistance, and a take-up of Treasury bills drained £94m, while Exchequer transactions absorbed £180m, and a rise in the note circulation another £100m.

Before lunch the authorities gave assistance of £155m by buying £79m bank bills in band 1 (up to 14 days maturity) at 8¾ per cent; £24m bank bills in band 2 (15-33 days) at 8⅞ per cent; £2m bank bills in band 3 (34-63 days) at 9 per cent; and £50m bank bills in band 4 (64-91 days) at 9 per cent.

In the afternoon the Bank of England purchased another £42m bills through £10m bank bills in band 1 at 8¾ per cent; £9m bank bills in band 2 at 8⅞ per cent; £17m bank bills in band 3 at 9 per cent; and £6m local authority bills in band 4 at 9 per cent.

Late assistance of £120m was also provided, bringing total help on the day to £317m.

In Frankfurt call money was steady at 5.55 per cent, but banks are at present drawing heavily on the Lombard borrowing facility from the Bundesbank. Total borrowings on the first two days of the week were DM 18.4 bn, after DM 13.3 bn over the weekend, to bridge the period until DM 8 bn becomes available on Friday through a rise in rediscount quotas on eligible paper sold to the Bundesbank.

In Paris the Bank of France cut its money market intervention rate to 11¼ per cent from 11½ per cent, when offering to buy first category paper. Effective from today, the purchase is of paper maturing between July 24 and August 6, and will be repaid on July 23. This is the third reduction in the rate since May 9, when it was 12 per cent. Paris call money was slightly firmer yesterday at 11¾ per cent, compared with 11⅝ per cent.

MONEY RATES

July 4	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight	5.50-5.60	11¼	3-4	5¾-5⅞	6.03125	16¼-16⅜	10.45	11⅝-11⅞
One month	5.75-5.00	11⁹⁄₁₆-12⁵⁄₁₆	4½-4⅝	6⅞-6	6.09375	16¼-16⅝	11⅛-11¾	12-12¼
Two months	5.90-6.05	12-12⅛	—	—	—	—	—	12⅛-12¼
Three months	6.05-6.16	12⅛-12¼	4⅜-4¾	6⅛-6⅜	6.31875	16⅝-17	11⅝-11⅞	12¼-12¼
Six months	6.35-6.50	12⅛-12⁷⁄₁₆	—	6⅛-6⅞	—	—	11⅞-12⅛	12¾-13
Lombard	6.6	—	—	—	—	—	—	—
Intervention	—	11¼	—	5¾	—	—	—	—

LONDON MONEY RATES

Discount Houses Deposit and Bill Rates

July 4 1984	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	8¼-10	[illegible]	[illegible]	[illegible]	—	—	—	—	—
2 days notice	—	—	[illegible]	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	[illegible]	[illegible]	[illegible]	[illegible]	—	—	—	—	—
One month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	—	—	—	—	—	—	—
Nine months	[illegible]	[illegible]	—	—	—	—	—	—	—	—
One year	[illegible]	[illegible]	[illegible]	—	—	—	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	[illegible]	—	[illegible]	[illegible]	[illegible]	[illegible]
Two months	[illegible]	—	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	—	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	—	[illegible]	[illegible]	[illegible]	[illegible]
Nine months	[illegible]	—	[illegible]	[illegible]	—	—
One year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two years	—	[illegible]	—	—	—	—
Three years	—	[illegible]	—	—	—	—
Four years	—	[illegible]	—	—	—	—
Five years	—	[illegible]	—	—	—	—

ECGD Fixed Rate Export Finance Scheme IV: Average Rate of interest period June 5 to July 3 1984 (inclusive): 9.488 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rate (published by the Finance Houses Association): 9½ per cent from July 1 1984. London and Scottish Clearing Bank Rates for lending 9¼ per cent. London Deposit Rate for sums at seven days' notice 6¼-6 per cent. Treasury Bills: Average tender rate of discount 8.8636 per cent. Certificates of Tax Deposit (Series 6): Deposit of £100,000 and over held under one month 9¼ per cent; one-three months 9¼ per cent; three-six months 10 per cent; six-nine months 10¼ per cent; nine-12 months 10¼ per cent. Under £100,000 9¼ per cent from July 5. Deposits held under Series 4-5 10¼ per cent. The rate for all deposits withdrawn for cash 7 per cent.

FT LONDON INTERBANK FIXING

LONDON INTERBANK FIXING (11.00 a.m. July 4)

Three months U.S. dollars

bid 12 3/16	offer 12 15/16

6 months U.S. dollars

bid 12 5/8	offer 12 7/8

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK (Lunchtime)

Prime rate	13
Broker loan rate	12½-13
Fed funds	—
Fed funds at intervention	—

Treasury Bills

One month	8.15
Two month	8.80
Three month	8.93
Six month	10.41
One year	10.96

Treasury Bonds

Two year	100
Three year	99¾
Four year	100¼
Five year	100¼
Seven year	99½
10 year	96⅞
30 year	98⅛

FINANCIAL FUTURES

Eurodollars firm

Eurodollar prices were firmer in the London International Financial Futures Exchange yesterday but finished below the day's highs. Gains in the futures market reflected a corresponding decline in cash values with trading volume severely inhibited by the closure of U.S. markets for Independence Day. The September Eurodollar contract opened at 87.33 up from 87.22 and touched a high of 87.39 before finishing at 87.36.

Better demand at the latest U.S. Treasury auction accounted for the initial firmer tone with the authorities faced with issues 2½ times oversubscribed.

Treasury bonds were similarly motivated, helped by an advance in the U.S. long bond. The September price opened at 60.24 up from 60.01 on Tuesday and closed at 60.25, having touched a high of 60.28.

Sterling based contracts were generally firmer on the back of a firmer U.S. bond market, following a small decline in U.S. interest rates. The gilt price for September delivery opened at 101-14, which proved to be the day's high but finished below the day's best at 101-01.

The FT-SE sector improved in line with a firmer equities market and the September price rose to 105.30 from 103.90.

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
Sept	87.36	87.39	87.33	87.22
Dec	86.59	86.60	86.54	86.43
March	86.15	86.19	86.14	86.02
June	85.87	85.87	85.85	85.72
Sept	85.63	—	—	85.49

Est. volume 1,845 (3,329). Previous day's open int. 13,135 (13,137)

THREE-MONTH STERLING DEPOSIT £250,000 points of 100%

	Close	High	Low	Prev
Sept	88.75	88.77	88.68	88.65
Dec	88.66	88.71	88.64	88.59
March	88.61	88.65	88.61	88.56
June*	88.46	88.46	88.31	88.32
Sept*	—	—	—	88.17

Est. volume 503 (1,062). Previous day's open int. 5,510 (5,588). *£500,000 points of 100%

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

	Close	High	Low	Prev
Sept	101-01	101-14	101-00	100-31
Dec	100-09	100-09	100-08	100-09
March	99-27	—	—	99-25
June	99-11	—	—	99-09
Sept	101-17	—	—	101-15

Est. volume 831 (1,654). Previous day's open int. 5,918 (5,729). Basis quote (clean cash price of 13¾% Treasury 2003 less equivalent price of near futures contract) 35 to 52 (32nds)

STERLING £25,000 $ per £

	Close	High	Low	Prev
Sept	1.3430	1.3462	1.3424	1.3445
Dec	1.3517	1.3536	1.3517	1.3535
March	1.3607	—	—	1.3627

Est. volume 2,178 (763). Previous day's open int. 2,398 (2,521)

DEUTSCHE MARKS DM 125,000 $ per DM

	Close	High	Low	Prev
Sept	0.3584	0.3594	0.3584	0.3585
Dec	0.3652	—	—	0.3648

Est. volume 17 (49). Previous day's open int. 231 (232)

SWISS FRANCS SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
Sept	0.4293	0.4307	0.4293	0.4293
Dec	0.4361	—	—	0.4361

Est. volume 5 (nil). Previous day's open int. 2,293 (2,293)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
Sept	0.4217	0.4226	0.4217	0.4221
Dec	0.4294	—	—	0.4297

Est. volume 42 (40). Previous day's open int. 263 (263)

FT-SE 100 INDEX £25 per full index point

	Close	High	Low	Prev
Sept	105.30	105.70	104.40	103.90
Dec	105.20	105.50	105.00	103.70

Est. volume 462 (410). Previous day's open int. 1,069 (1,012)

CHICAGO

U.S. TREASURY BONDS 8% $100,000 32nds of 100%

	Close	High	Low	Prev
Sept	60-25	60-28	60-17	60-01
Dec	60-05	—	—	59-14
March	59-23	—	—	58-31

Est. volume 258 (826). Previous day's open int. 1,093 (1,129)

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Close	High	Low	Prev
Sept	[illegible]	[illegible]	[illegible]	59-22
Dec	[illegible]	[illegible]	[illegible]	59-02
March	[illegible]	[illegible]	[illegible]	58-20
June	[illegible]	[illegible]	[illegible]	58-08
Sept	[illegible]	[illegible]	[illegible]	58-00
Dec	[illegible]	[illegible]	[illegible]	57-24
March	[illegible]	[illegible]	[illegible]	57-17
June	[illegible]	[illegible]	[illegible]	57-11

U.S. TREASURY BILLS (IMM) $1m points of 100%

	Close	High	Low	Prev
Sept	[illegible]	[illegible]	[illegible]	88.95
Dec	[illegible]	[illegible]	[illegible]	88.13
March	[illegible]	[illegible]	[illegible]	87.66
June	[illegible]	[illegible]	[illegible]	87.32
Sept	[illegible]	[illegible]	[illegible]	87.09
Dec	[illegible]	[illegible]	[illegible]	88.90
March	[illegible]	[illegible]	[illegible]	86.76
June	[illegible]	[illegible]	[illegible]	86.63

CERT. DEPOSIT (IMM) $1m points of 100%

	Close	High	Low	Prev
Sept	[illegible]	[illegible]	[illegible]	87.30
Dec	[illegible]	[illegible]	[illegible]	86.52
March	[illegible]	[illegible]	[illegible]	86.12
June	[illegible]	[illegible]	[illegible]	85.81

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

	Close	High	Low	Prev
Sept	[illegible]	[illegible]	[illegible]	88.81
Dec	[illegible]	[illegible]	[illegible]	86.09
March	[illegible]	[illegible]	[illegible]	85.67
June	[illegible]	[illegible]	[illegible]	85.37
Sept	—	—	—	—
Dec	[illegible]	[illegible]	[illegible]	84.96

STERLING (IMM) Se per £

	Close	High	Low	Prev
Sept	1.3415	1.3460	1.3410	1.3605
Dec	1.3490	1.3490	1.3490	1.3700
March	1.3585	1.3590	1.3585	1.3800

GNMA (CBT) 8% $100,000 32nds of 100%

	Close	High	Low	Prev
Sept	[illegible]	[illegible]	[illegible]	63-11
Dec	[illegible]	[illegible]	[illegible]	62-06
March	[illegible]	[illegible]	[illegible]	61-13
June	[illegible]	[illegible]	[illegible]	60-25
Sept	[illegible]	[illegible]	[illegible]	60-10
Dec	[illegible]	[illegible]	[illegible]	60-01
March	—	—	—	—
June	[illegible]	[illegible]	[illegible]	59-21

Contracts & Tenders

INVITATION TO SUBMIT TENDERS

Interested parties are hereby invited to present offers for the building of a 1,000 ton/dwt and 5,000 ton/dwt petroleum product tankers for the government-owned oil company, Sonangol U.E.E., Luanda, R.P. Angola.

For specifications please contact:
AFRICAN SERVICES DK APS
1, Frederiksgade, 1265 Copenhagen K
Telex 27117 AXSER DK

Offers to be forwarded in sealed envelope to:
MESSRS. SONANGOL U.E.E.
c/o African Services DK APS
1, Frederiksgade, 1265 Copenhagen K

Closing date for offers is 1 August 1984

Company Notices

ENERGY INTERNATIONAL N.V.
(Incorporated with Limited Liability in the Netherlands Antilles)

Shareholders in the Fund are convened to attend the Annual General Meeting of shareholders to be held on Monday 30th July, 1984 at 10.00 a.m. at the registered office of the Fund at Pietermaai 15, Willemstad, Curacao, Netherlands Antilles.

The items on the agenda are:
(1) Report and Accounts and proposal of a dividend of U.S.$1.10 for the business year ended 31st March, 1984.
(2) Amendments of the Articles to delete the unissued 1,000,000 Class "B" shares and introduce a time limit of 18 days for payment of subscriptions.
(3) Election of the Members of the Board of Management.

In order to attend the Meeting in person or by proxy and to have their votes registered at the Meeting, holders of bearer shares must deposit their share certificates (or a deposit receipt for the share certificates) mentioning their names, addresses and nationalities at the registered office of the Fund not later than 23rd July, 1984.

By order of the Board of Management
Curacao, 5th July, 1984.

Clubs

Motor Cars

Art Galleries

INTERNATIONAL CAPITAL MARKETS

Coca-Cola $100m bond well received

BY MAGGIE URRY IN LONDON

A SECOND U.S. borrower has braved the Eurodollar new issue market, which has been quiet since the repeal of withholding tax became near certain. This one, Coca-Cola, has a triple-A rating and its five-year $100m bond was well received, trading at around a ¼ discount to its 99½ issue price.

The 12⅛ per cent coupon looked a little tight, but the market responded to the scarcity value of the name. The deal was led by Morgan Guaranty, and interestingly the four co-leads are all European names – Credit Suisse First Boston, Deutsche Bank, Swiss Bank Corporation International and UBS. Perhaps that line-up, and the total fees at the usual 1⅞ per cent, show the issuers' faith in the European distribution system and the commissions that go with it.

The issue is through Coca-Cola Export Corporation, but if the U.S. Government sorts out the current legal questions on back-up withholding tax before the deal is closed, the debt will be assumed by the parent company.

Banque Nationale de Paris launched a twin floating rate note deal raising a total of $375m. In the Euromarkets $250m is being issued, with BNP as lead manager and Credit Suisse First Boston as co-lead. The other $125m was aimed at the Far East market, arranged by Daiwa Bank and Nomura Securities.

Both carry the same terms – a 12 year life, and a yield of ⅛ per cent over six-month London interbank mean rate (Limean), a rate 1/16 under the more usual London interbank offered rate (Libor). That issue proved popular too, with the European note trading at a discount of around 0.15 per cent compared with total fees of 0.35 per cent.

The secondary Eurodollar market was quiet, with New York on holiday, but a firmer tone pushed prices up by as much as ¼ point.

BHF Bank bond average		
July 4		Previous
98.963		98.927
High	1984	Low
100.009		98.056

The Samurai market came back to life after being in the doldrums in June, when four issues were postponed. The World Bank is raising Y30bn on a 12-year bond with a 7.7 per cent coupon. Priced at 99.5 by Daiwa Securities, the yield is 7.9 per cent.

In the D-Mark sector, Japan Finance Corporation for Municipal Enterprises, made its debut issuing a seven-year DM 100m bond with a 7½ per cent coupon. It is guaranteed by the Japanese Government.

Caisses Nationale des Autoroutes also had state backing for its DM 100m issue – a 10-year bond with a 8¼ per cent coupon, again priced at par. The lead manager was Westdeutsche Landesbank.

Seasoned D-Mark bonds were little changed in low turnover, as were Swiss franc issues.

● Up to a quarter of Portugal's new $400m Eurocredit may be raised in ECUs, the currency basket of the EEC, Orion Royal Bank, one of the lead managers said yesterday.

The loan, which bears a margin of ⅜ per cent for the first three years rising to ½ per cent for the next four, was increased from an original target of $300m on Tuesday following the agreement of 25 banks to participate as lead managers.

Previously Portugal had expected to raise only $50m equivalent in ECUs, but this figure has become a minimum target for the ECU tranche following the overall increase in the amount.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for July 4.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Alaska Housing 11⅞ 94	100	88⅞	89⅜	+0⅛	−0⅛	13.99
American Savings 12 89	125	97⅛	98⅛	+0⅛	+0⅛	12.51
American Sav 12¼ 89	100	98	98½	+0⅛	+0⅛	12.73
Australian Ind Dev 11 89	75	†90⅝	91⅛	−0½	−0⅛	13.78
Bank Of Tokyo 11⅞ 99	100	90⅝	91⅛	+0⅛	+0⅛	14.07
Beneficial O.S Fin 12 91	100	88⅛	88⅝	+0⅛	0	14.88
Citicorp O.S 11¼ 99	100	†92	92½	+0⅛	0	12.93
C.N.C.A. 13⅛ 91	100	95⅝	96⅛	+0⅛	+0⅛	14.21
Coastled Int 12¼ 00	125	95⅛	95⅝	+0⅛	+0⅛	13.80
Creditanstalt 12⅛ 91	100	98	98½	+0⅛	+0⅛	13.81
D.N.C. 11¾ 91 WW	50	88½	89	0	0	14.47
D.N.C. 11⅞ 91 XW	50	87½	88	0	0	14.74
Denmark Kingdom 12 91	100	90	90½	+0⅛	+0⅛	14.32
Denmark Kingdom 12 91	100	95	95½	+0⅛	+0⅛	14.10
Digital Equip 11⅝ 89	150	93⅛	93⅝	+0⅛	0	13.71
Dutch Mines 11⅜ 91	150	89⅝	90⅛	+0½	+0⅛	13.97
E.D.C. 11½ 89	150	91	91½	+0⅛	+0⅛	13.78
E.I.B. 12½ 90	100	95⅛	95⅝	+0⅛	+0⅛	13.67
E.I.B. 12⅝ 94	100	95⅛	95⅝	+0⅛	+0⅛	13.74
Eurofima 12½ 91	100	94⅛	94⅝	+0⅛	0	13.80
Ex-Im Bk Japan 13¼ 91	75	101⅜	101⅞	+0⅛	0	12.88
Florida Fed Sav 12⅝ 89	100	96⅛	96⅝	+0⅛	+0¼	13.41
Gen Elec Credit 0 96	600	24½	25	0	0	12.32
Gen Elec Credit 11 91 WW	200	92⅝	93⅛	+0⅛	+0⅛	12.62
Genossen Zentral 14 91	100	98½	99	+0⅛	+0⅛	14.29
Gulf & Western 12⅛ 99	100	91⅞	92⅜	+0⅛	+0⅛	14.51
I.I.L. 12 89	100	93½	94	0	+0⅛	13.84
Indust Bk Japan 11½ 89	125	91⅞	92⅜	+0⅛	+0⅛	13.65
Int Paper O/S Fin 12 91	75	96	96½	+0⅛	+0⅛	12.83
Japan Air Lines 12½ 94	70	94⅜	94⅞	+0⅛	+0⅛	12.98
L.T.C.B. 11⅞ 89	100	91⅞	92⅜	+0⅛	+0⅛	14.22
Macy O/S 11⅞ 91	100	90⅞	91⅜	+0½	+0⅛	13.86
Mitsui Trust Fin 12 91	100	90⅛	90⅝	+0½	+0⅛	14.30
Montreal, City 12½ 91	70	94½	95	0	−0⅛	13.71
Morgan Guaranty 12¼ 89	150	93⅛	93⅝	+0⅛	0	14.21
Ned Gasunie 11⅞ 91	75	89½	90	+0⅛	+0⅛	13.64
Newfoundland Prov 13 91	75	101¾	102¼	+0⅛	+0⅛	12.62
Nippon Credit 11⅞ 89	100	90⅛	90⅝	+0⅛	+0⅛	14.19
Nippon Tele 11¾ 90	100	94¼	94¾	+0½	+0⅛	12.75
Nova Scotia Pro 11⅞ 91	100	90⅛	90⅝	+0⅛	+0⅛	13.98
Ontario Hydro 11⅞ 94	200	87⅞	88⅜	+0½	+0⅛	13.98
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev Bk 7⅞ 94	15	[illegible]	[illegible]	[illegible]	[illegible]	7.67
Eurofima 7⅞ 94	10	[illegible]	[illegible]	[illegible]	[illegible]	7.65
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cncl Europe 11¾ 92 £	50	[illegible]	[illegible]	[illegible]	[illegible]	12.44
Denmark 10¾ 89 £	75	93⅝	94⅛	+0⅛	−0⅝	12.58
E.E.C. 11⅞ 94 £	50	94⅛	94⅝	+0⅛	+0⅛	12.38
E.I.B. 10¾ 92 £	50	91½	91⅝	−0⅛	0	12.54
Forsmarks 10⅝ 99 £	40	93½	93¾	−0⅛	−0⅛	11.57
I.B.J. 11½ 95 £	30	96⅝	97	−0⅛	−0⅛	12.10
I.I.I. 10¾ 93 £	25	93	93½	−0⅛	0	11.95
Int Stand Ele 11½ 89 £	50	98⅛	98⅞	0	0	11.92
Ireland 11¾ 94 £	50	91⅝	92⅛	0	−0⅛	12.88
New Zealand 10⅝ 89 £	100	94¼	94⅝	−0⅛	+0⅛	12.21
SNCF 11½ 94 £	80	92⅛	93	+0⅛	+0⅛	12.50
Sth Africa Rep 12½ 89£	40	98⅝	99⅛	+0⅛	+0⅛	12.82
World Bank 10⅝ 89 £	100	94	94⅝	+0⅛	+0⅛	12.22
Electrolux 10 89 LF	500	99⅝	99⅞	−0⅛	0	10.20
Cncl Europe 10⅞ 93 LF	600	101⅝	102⅝	+0⅛	+0⅛	10.38

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Arab Banking 5¼ 98	0⅛	†98	98½	15/8	10.81	11.01
B.B.L. Int 5 99	0⅛	98⅞	99⅝	11/10	11.10	11.36
Bank of Montreal 5 99	0⅛	99¾	100	27/10	11.10	11.20
Bankers Trust 5¼ 96	0⅛	99⅞	100⅛	16/8	11⅜	11.76
Banque Indosuez 5¼ 99	0¼	99½	99⅝	21/8	11.00	11.12
Barclays O/S Inv 5 2004	0⅛	98⅛	98½	2/8	10.56	10.74
BFG Fin 5¼ 98	0⅛	98⅞	99⅛	1/8	11⅞	12.06
Commerzbank 5¼ 99 XW	0	98⅛	98½	21/8	11.19	11.28
Dai-Ichi Kangyo 5¼ 98	0⅛	†99	99½	18/11	12⅛	12.22
Dresdner Fin 5¼ 89	0	99⅛	99½	23/8	11⅝	11.70
E.D.F. 5⅛ 99	0⅛	98⅞	99⅛	23/8	10.60	10.67
Ferrovie Stato 5⅛ 99	0⅛	95⅛	95½	31/8	10.83	10.75
Gotabanken 5¼ 94	0⅛	98¼	98½	18/11	12.19	12.30
Lloyds Euro 5 2004 $	0⅛	98⅛	98⅝	18/10	11.31	11.51
Midland Int Fin 5 99 $	0⅛	98½	98⅝	8/8	10.56	10.71
Mort Bk Denmark 5¼ 99+	0⅛	99⅞	100⅛	11/8	11	11.06
Nat West-Perp 5 89	0⅛	100	100⅛	10/11	12.44	12.42
Oster Land 5⅛ 99 $	0⅛	97⅝	98⅛	11/10	11.19	11.42
Queensland Coal 5⅛ 98	0¼	99⅞	100⅛	8/11	11⅞	11.81
Societe Gen 5¼ 94	0⅛	98	98½	15/8	10.18	10.27
Spain 5¼ 97	0⅛	98⅛	98⅝	23/8	10.66	10.76
Sweden Kingdom 5¼ 2024	0⅛	†97⅞	98⅛	22/8	11.19	11.48
Takugin 5¼ 94 $	0⅛	99	99½	16/8	10⅝	10.83
Tokai 5¼ 99	0⅛	99¾	100⅛	12/12	12½	12.80
Toyo 5¼ 96	0⅛	99⅞	100	14/12	12⅝	12.84

Average price change On day 0 on week 0

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Ajinomoto 3 99	4/84	1159	95½	96½	+0⅛	1.89
BBC Brown Boveri 4¼ 95	2/84	188	†92	93½	0	5.38
Daiwa Sec Co 5½ 98	10/83	481.8	†111½	113	+0½	−0.76
Fanuc 3¾ 98	1/84	8142	117⅝	118⅝	+0⅝	30.61
Fujitsu 3 99	5/84	1320.9	92¼	92¾	+0⅛	2.91
Honda Motor 5¼ 98	6/83	984	133⅝	134⅝	+2¾	3.13
Konishiroku Photo 4 98	10/83	673	96	97	0	3.12
Minebea Co Ltd 5½ 98	5/83	807	102⅝	103⅛	0	2.35
Mitsubishi Elec 5⅛ 98	6/83	396	97⅛	98⅛	+0½	2.02
Mitsubishi Heavy 4⅞ 98	1/84	253	88⅞	89⅞	+1⅛	2.36
Murata 3½ 99	2/84	2838	103¾	104¾	+1⅞	24.72
Nippon Oil Co 3¼ 98	3/84	1062	89⅛	90⅛	+0⅛	5.08
Nippon Oil Co 5⅛ 98	4/83	904	98⅛	99⅛	+0⅛	6.75
Nissan Motor 5⅝ 98	4/83	790	95⅝	96⅝	+0⅛	9.34
Ono Pharm'cal Co 3¼ 98	3/84	9488	128⅝	129⅝	+0⅝	31.21
Orient Leasing 5¼ 98	6/83	2080	118⅝	119⅝	+1⅜	−3.08
Secom 5 98	11/83	2820	166½	167½	+3⅝	4.12
Sekisui House 3 99	8/84	512	93¾	94¾	+0⅛	−1.72
Sumitomo Corp 2⅞ 98	5/84	593	84¾	85¾	+0⅛	1.40
Yamaichi Sec Co 5 98	8/83	440.5	112	113½	0	−1.06
Yamanouchi Pharm'cal 4 90	10/83	1088	91⅞	92⅞	+0½	30.78
Nippon Oil Co 2⅝ 92 SF	3/84	1062	†102	103	−0⅛	12.33
Nippon Shinpan Co 2 92 SF	3/84	881	†91	91⅞	−0⅛	27.36
Settsu Paper 2¼ 92 SF	4/84	677	†134½	135	+2	−0.87
Asics 5 92 DM	12/83	520	101	102	−0⅛	20.17
Sumi Realty 6¼ 92 DM	2/83	385	145⅛	146⅛	+0½	−2.80

* No information available–previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. date = Date next coupon becomes effective. Spread = Margin above six-month offered rate (‡ three month; § above mean rate) for U.S. dollars. C.cpn. = current coupon. Cu. yld = current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv. date = First date for conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

WALES SURVEY

The Welsh survey, due to appear in today's paper, will now be published on Friday July 6